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# 1986 TEXAS ELECTRIC UTILITY COMPANY PROFILES

SEPTEMBER 1987

PUBLIC UTILITY COMMISSION OF TEXAS

OPERATIONS REVIEW DIVISION

# 1986 TEXAS ELECTRIC UTILITY COMPANY PROFILES

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OPERATIONS REVIEW DIVISION

# FOREWARD

This report is a summary of important electric utility financial and operating characteristics on a statewide total basis and on an individual basis for each of the nine largest investor-owned Texas electric utilities. The details illustrated are for both the year ending 1986 and for the period 1981-1986.

Financial and other data is taken from Commission records and financial publications as noted.

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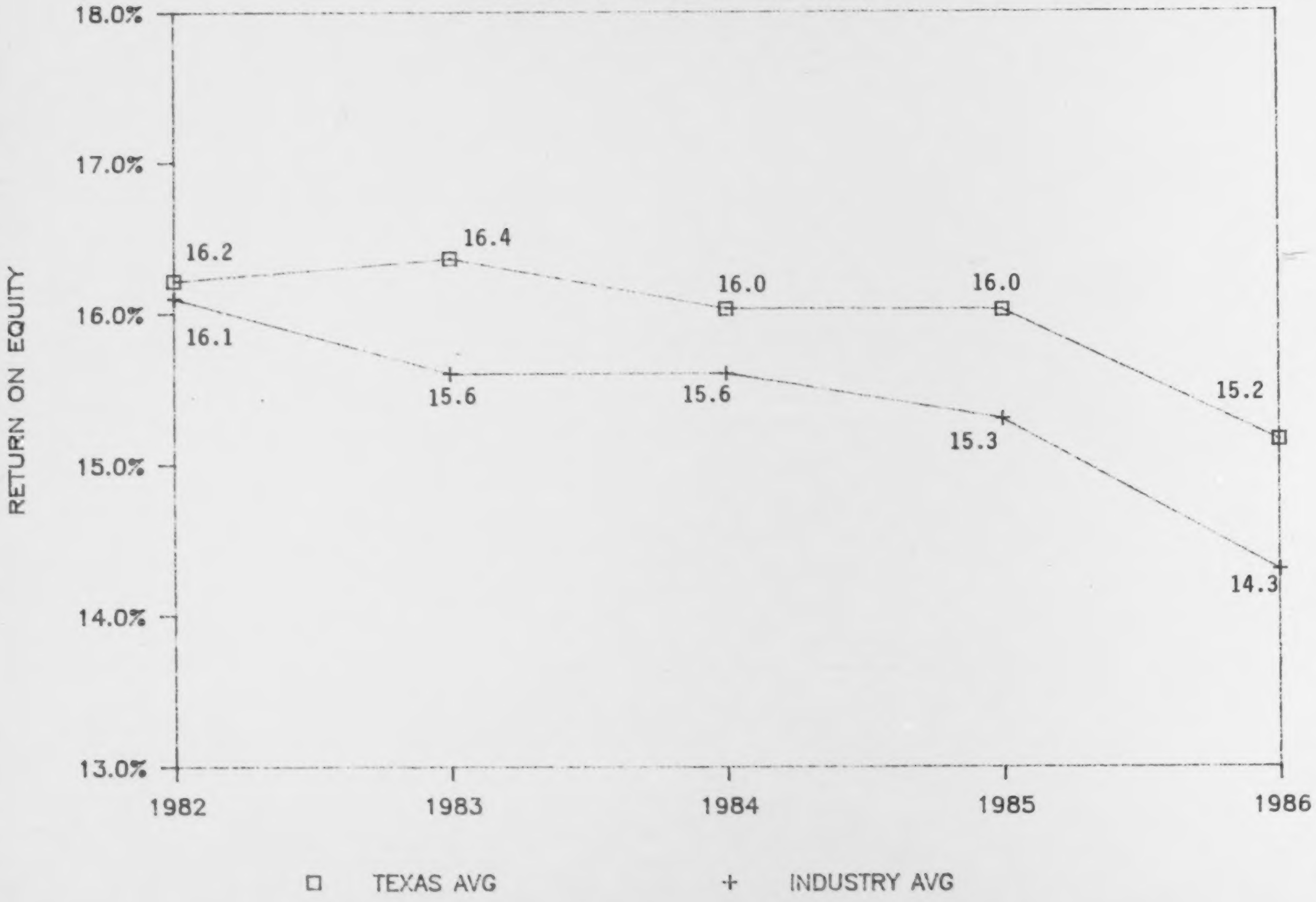
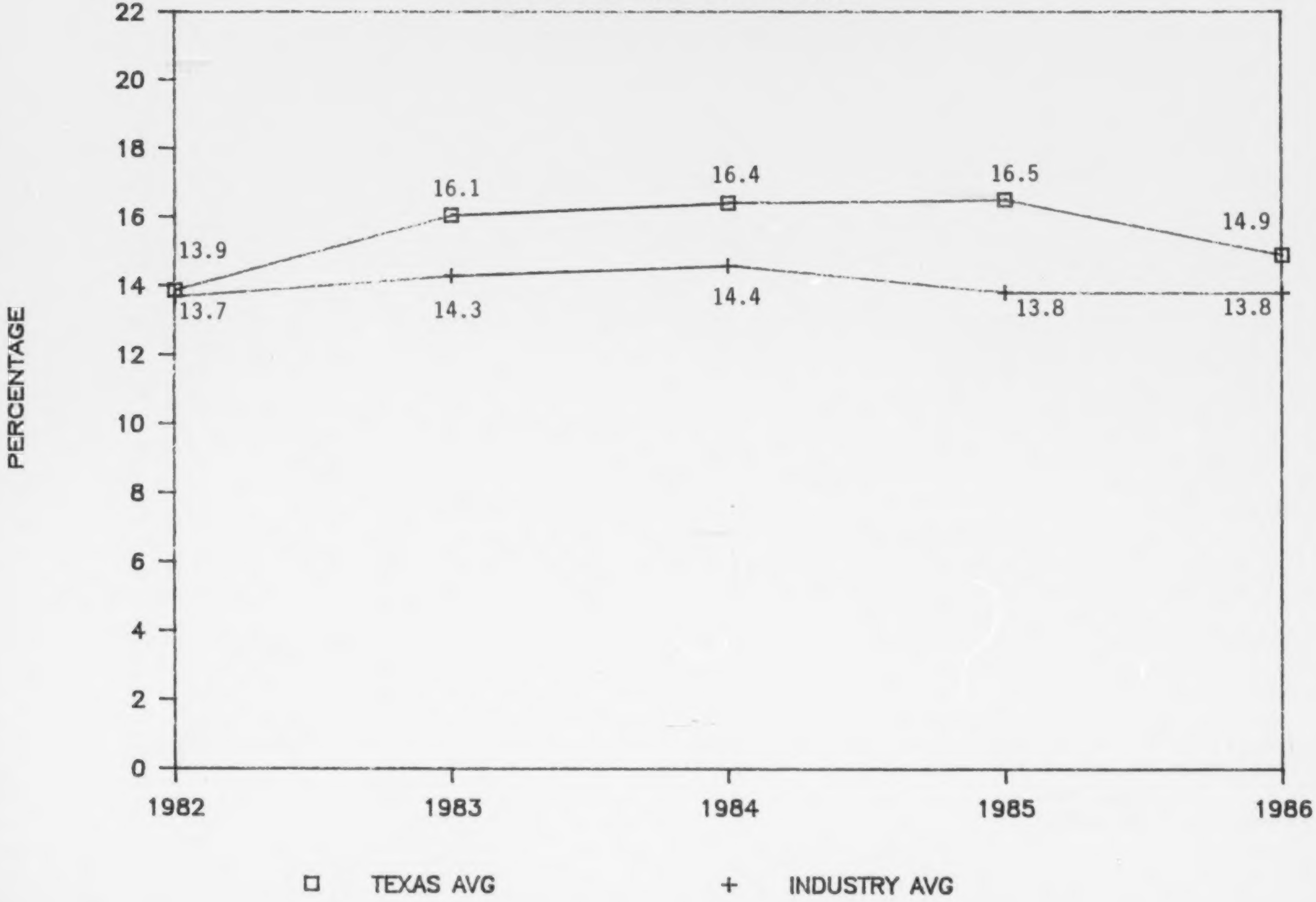
# ALLOWED RETURN ON EQUITY

## TEXAS AND INDUSTRY AVERAGES



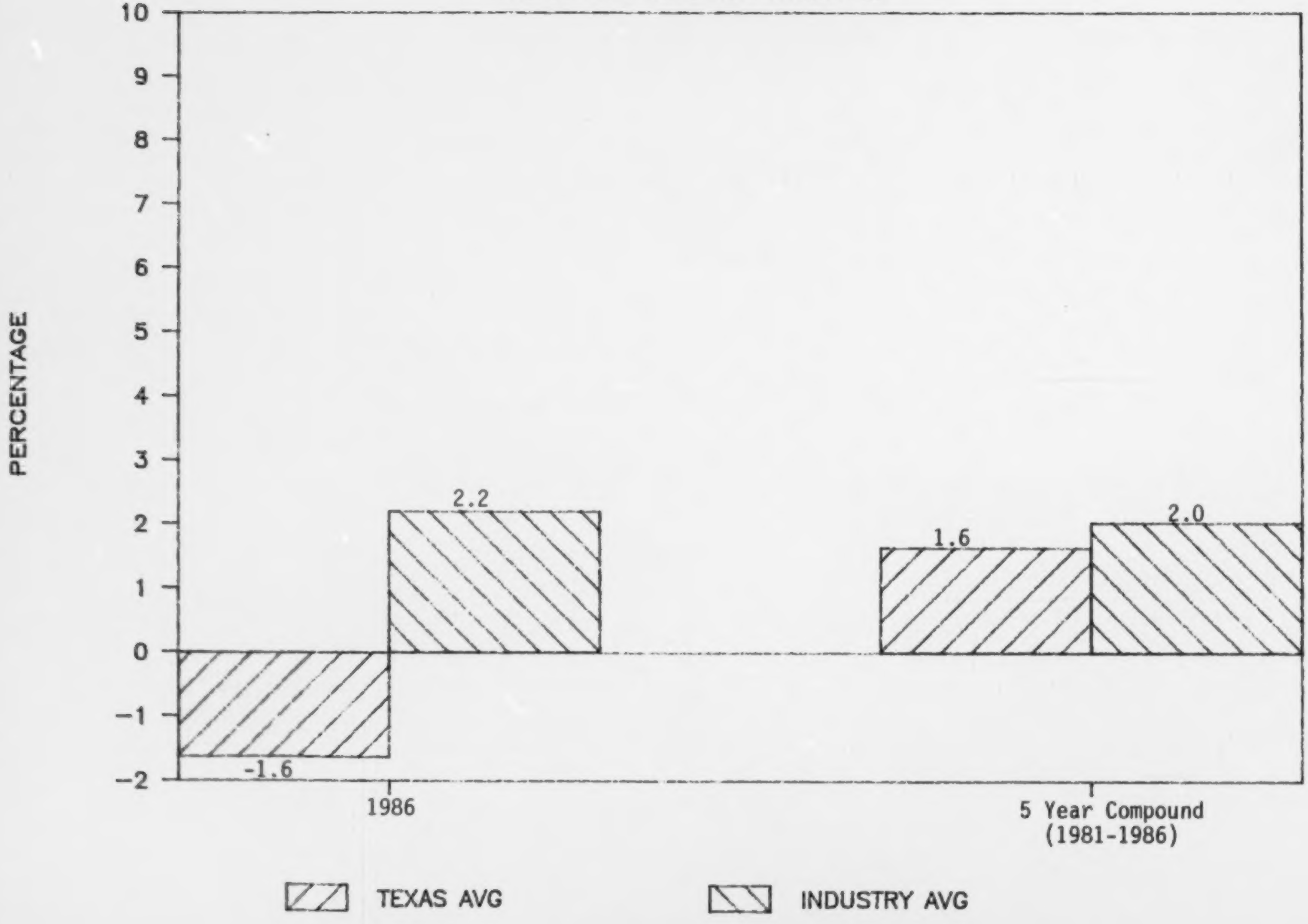
# EARNED RETURN ON EQUITY

TEXAS AND INDUSTRY AVERAGES



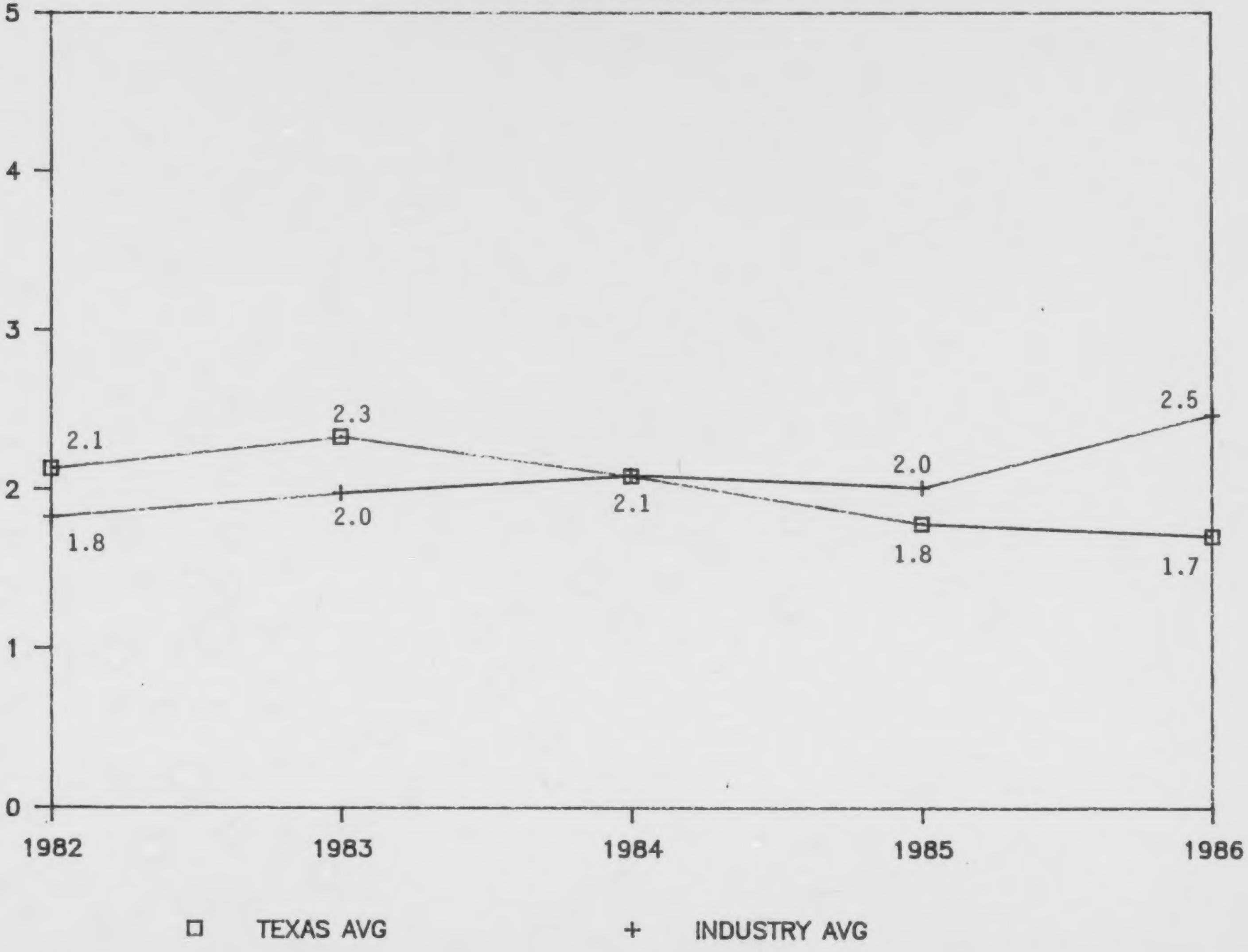
# MWH SALES GROWTH

## TEXAS AND INDUSTRY AVERAGES



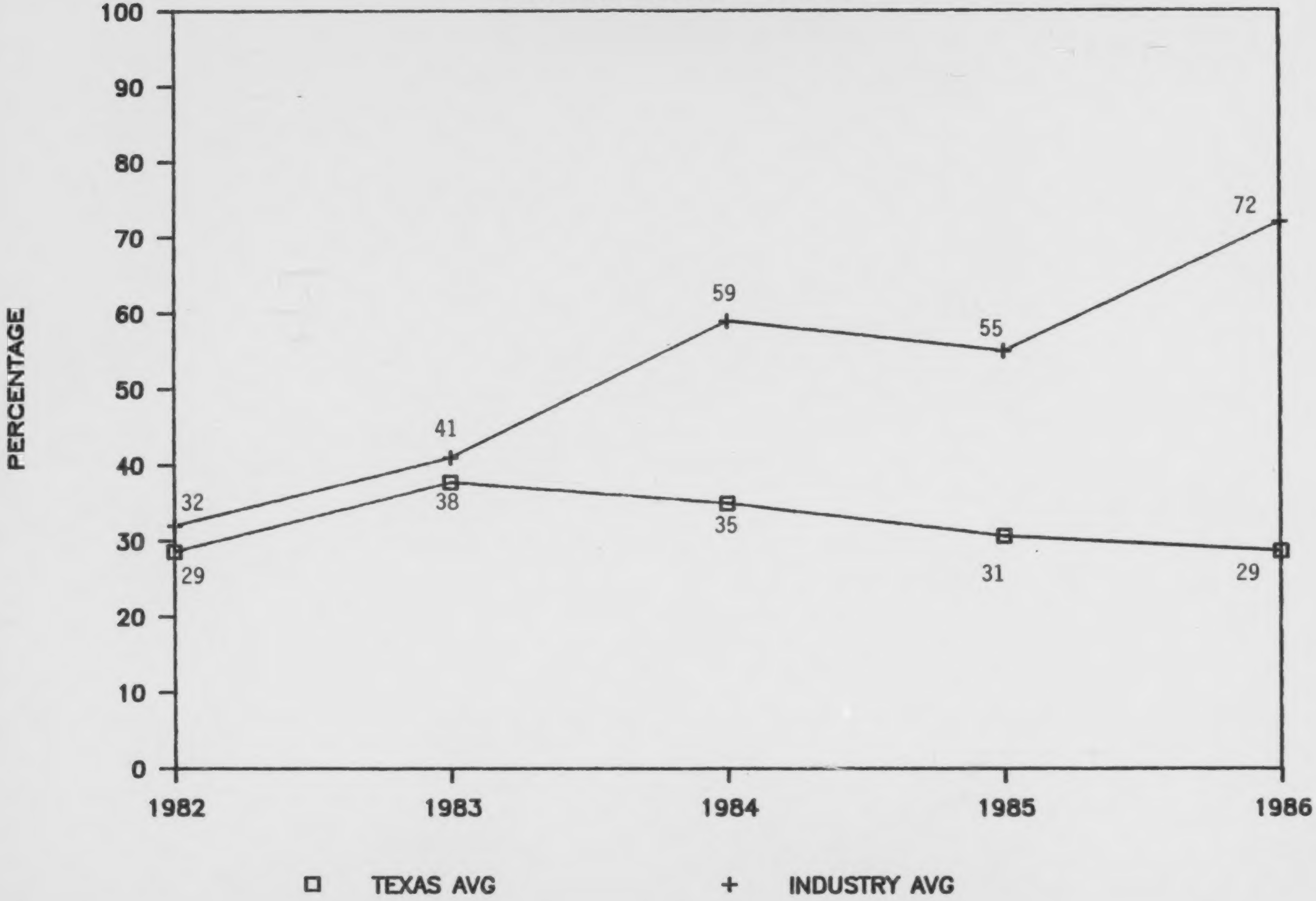
# CASH FLOW COVERAGE OF DIVIDENDS

## TEXAS & INDUSTRY AVERAGES



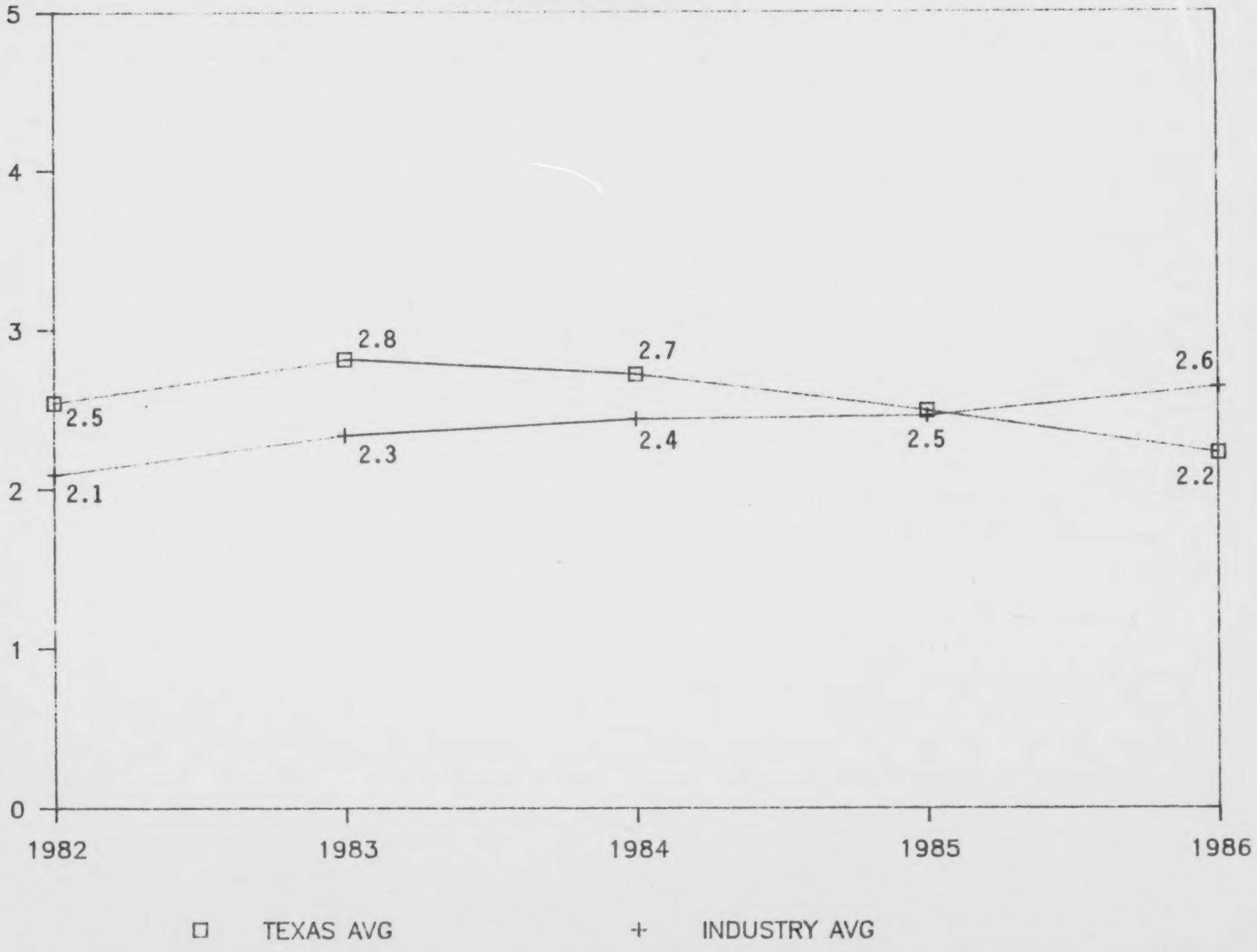
# FUNDS GENERATED INTERNALLY (%)

## TEXAS AND INDUSTRY AVERAGES



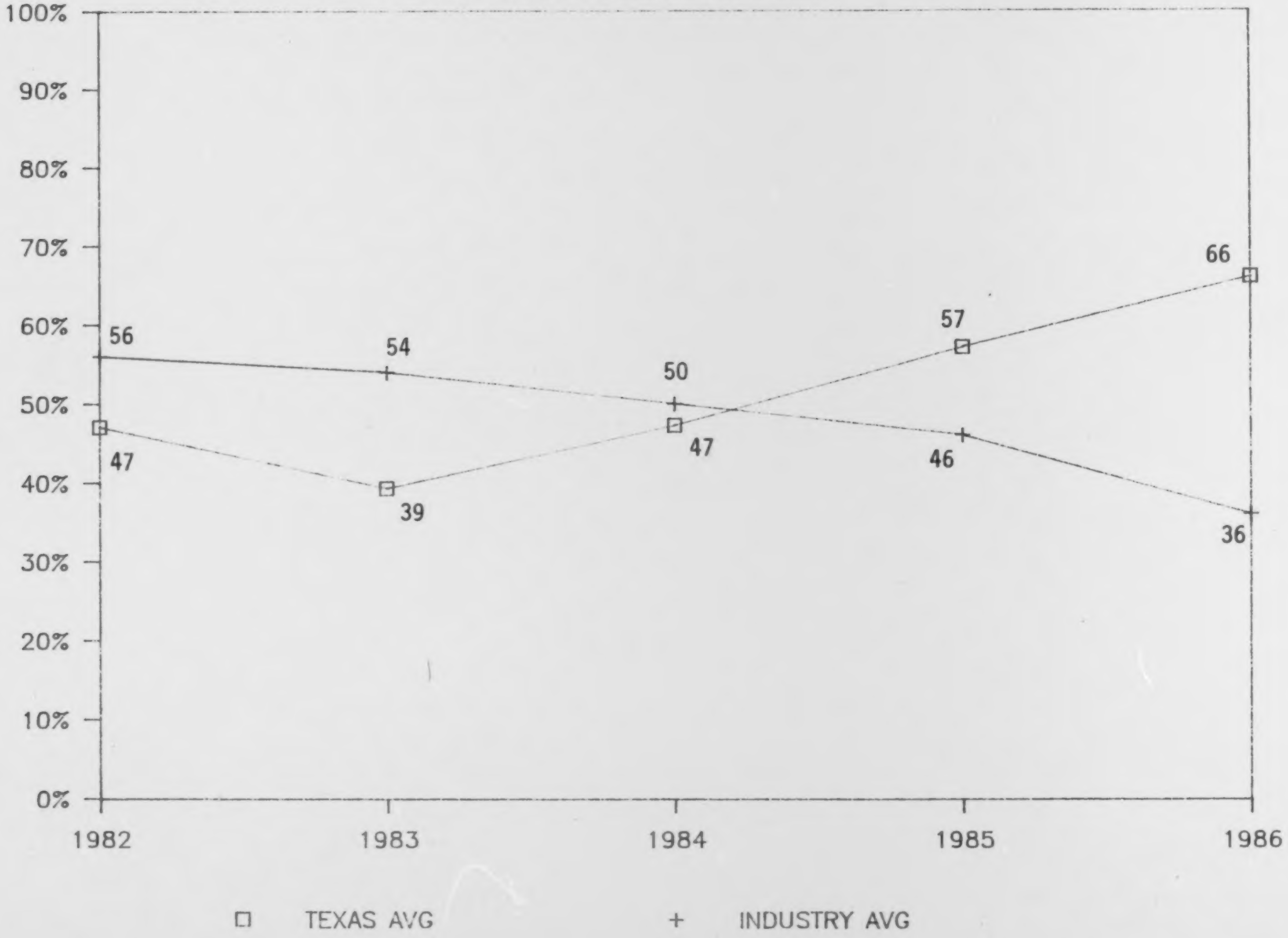
# PRE-TAX INTEREST COVERAGE

EXCLUDING AFUDC



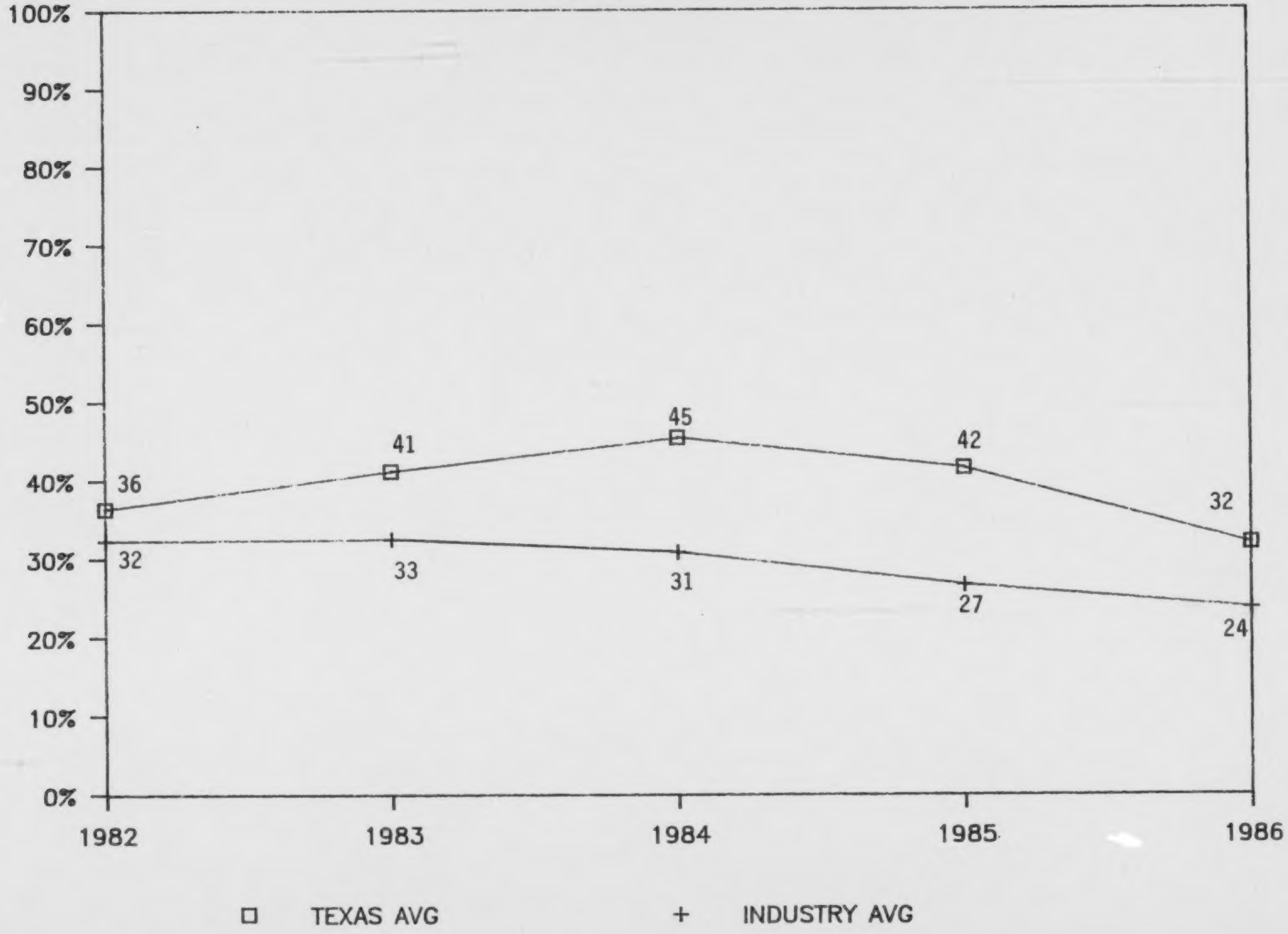
# RATIO OF AFUDC TO INCOME TO COMMON

TEXAS AND INDUSTRY AVERAGES



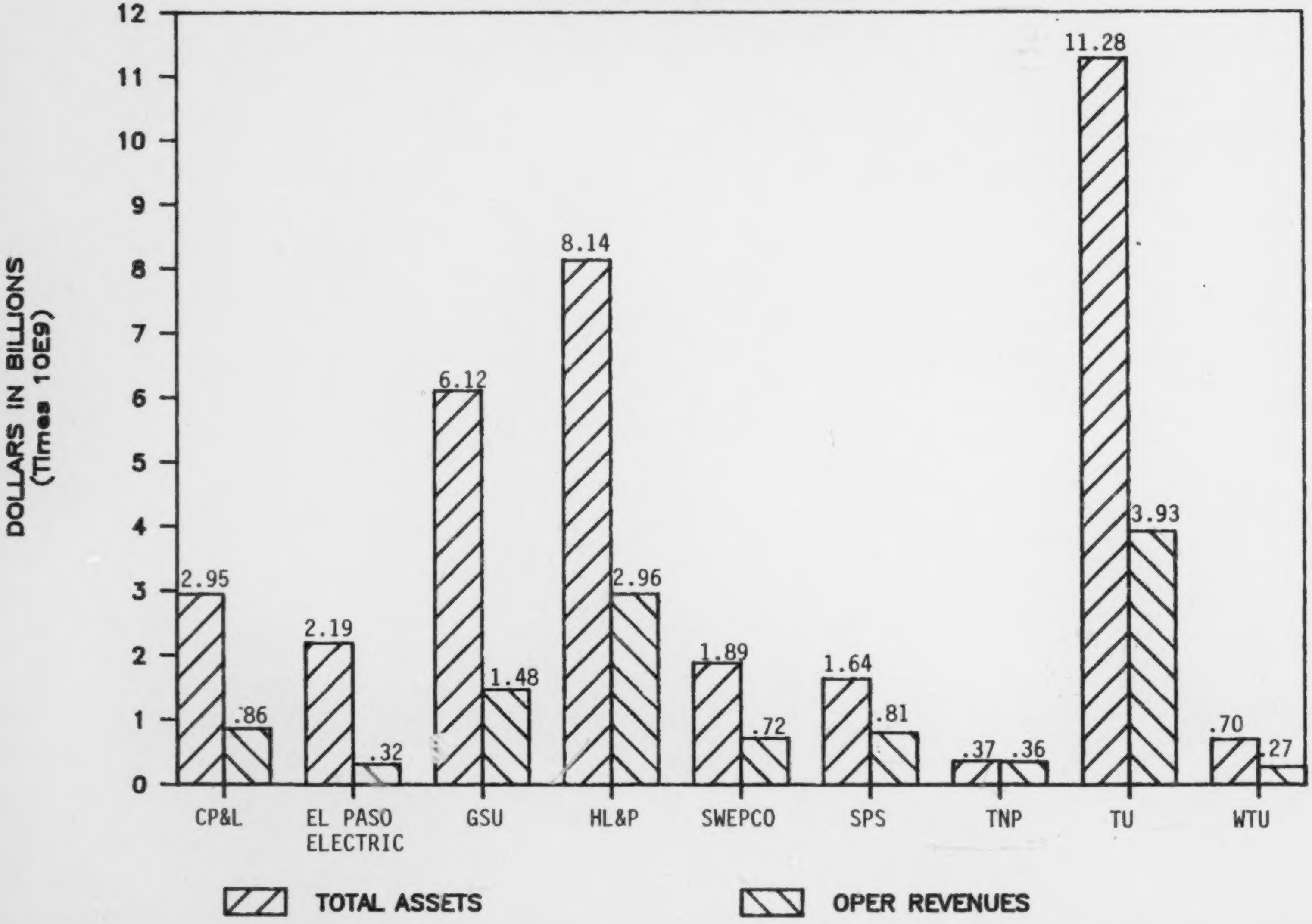
# CWIP AS A % OF NET PLANT

## TEXAS INDUSTRY



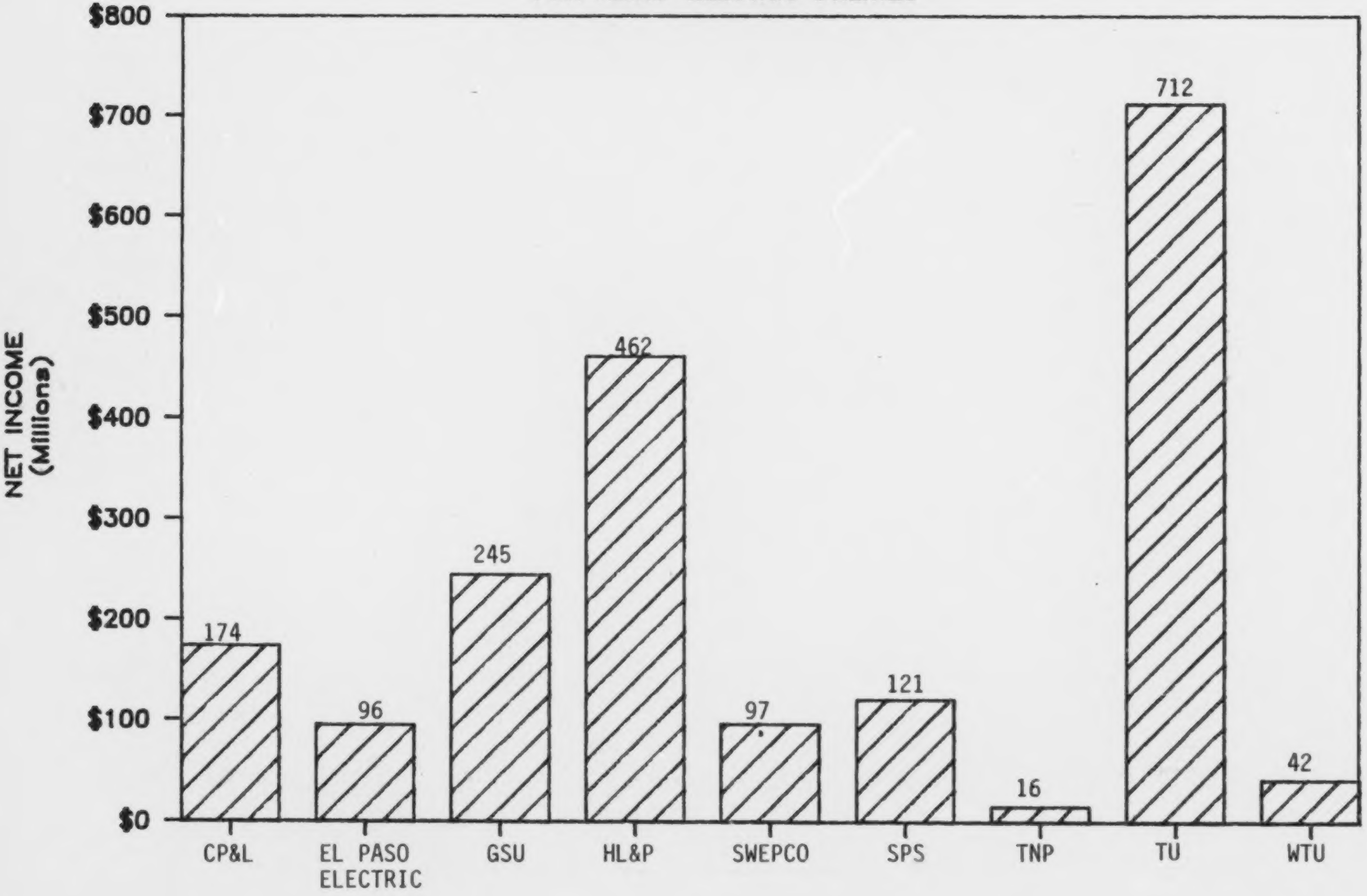
# 1986 ASSETS AND REVENUES

**FOR TEXAS' ELECTRIC UTILITIES**



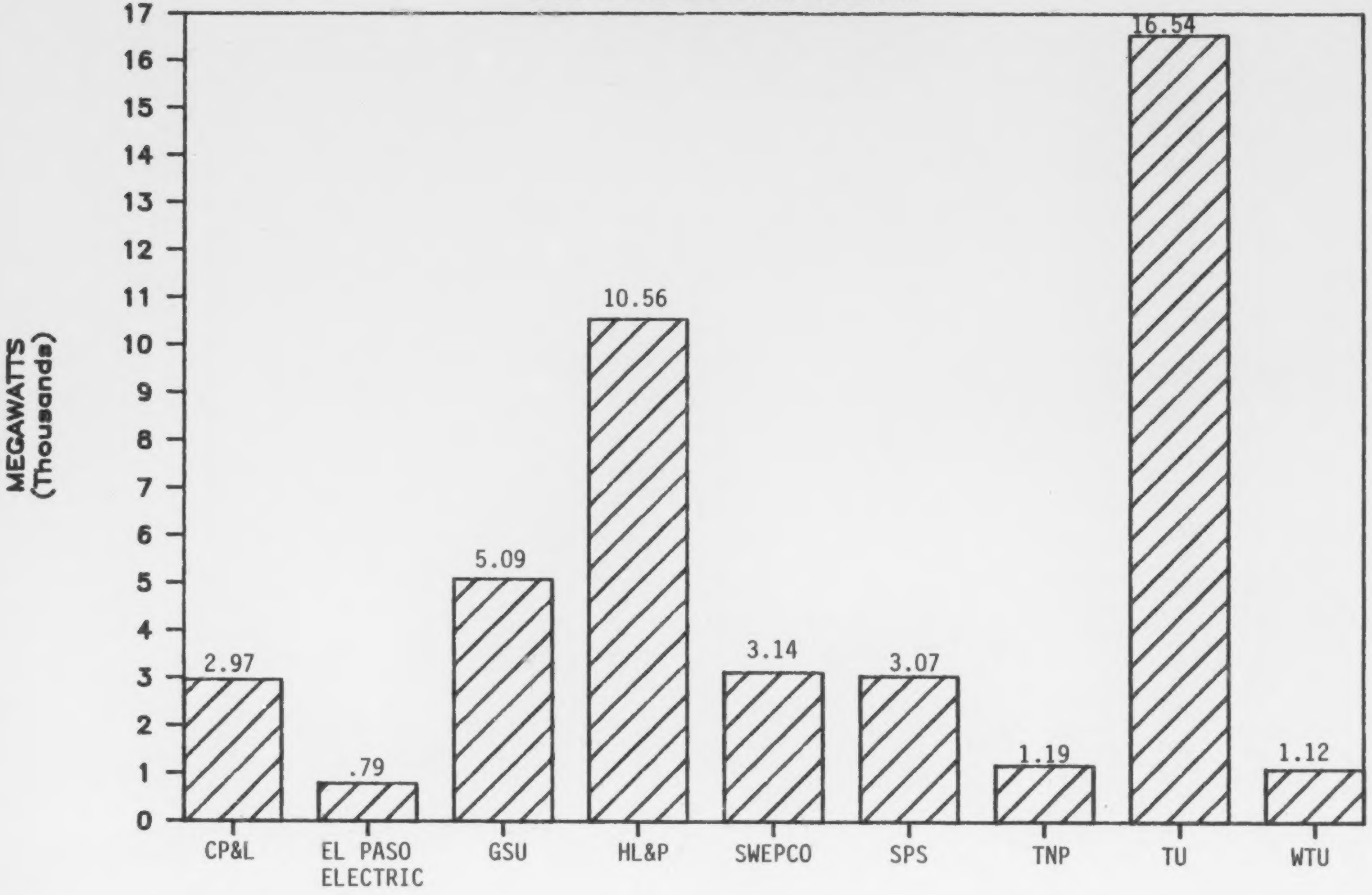
# 1986 NET INCOME

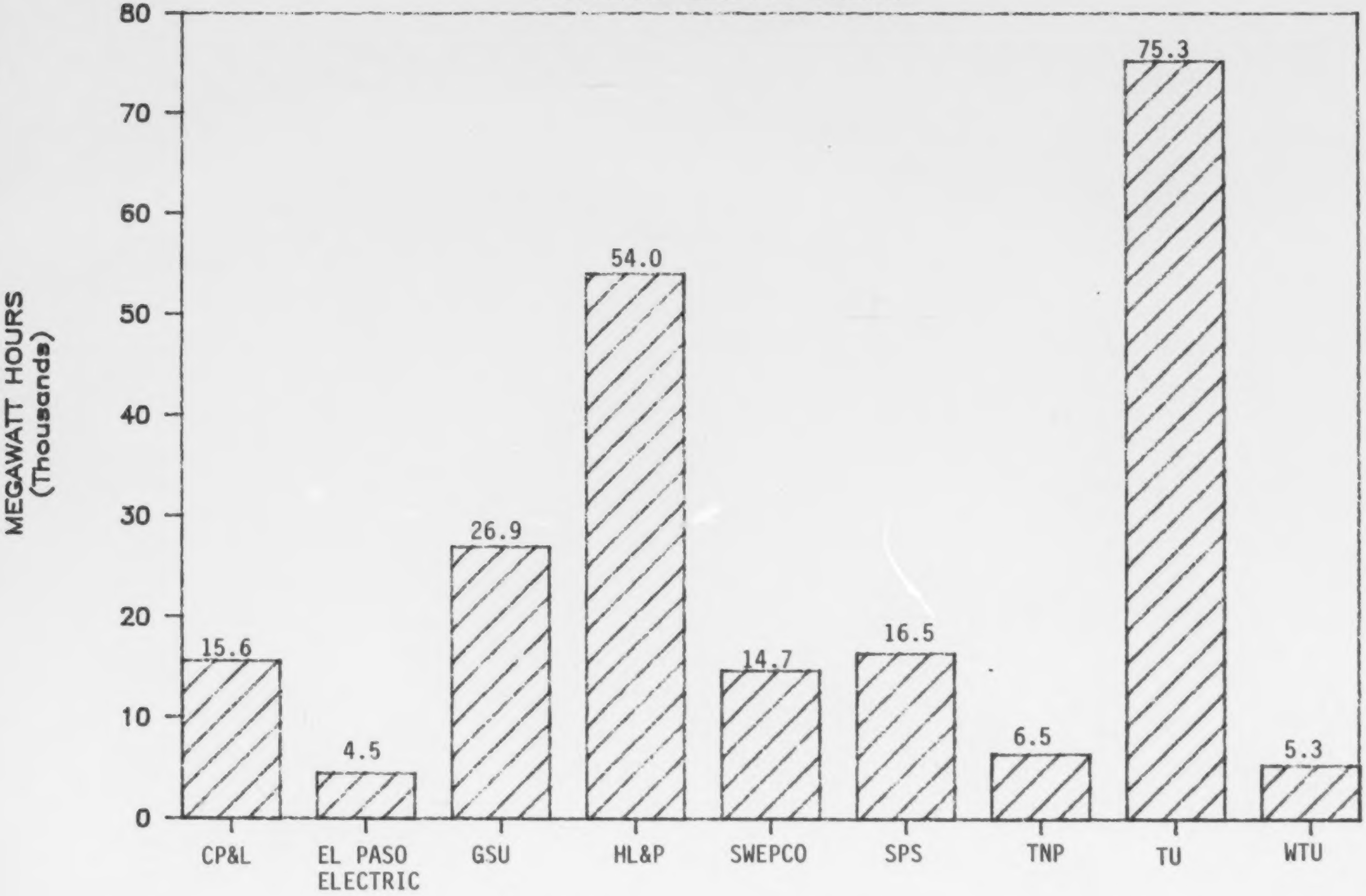
## FOR TEXAS' ELECTRIC UTILITIES



# 1986 PEAK DEMAND

## FOR TEXAS' ELECTRIC UTILITIES





## 1986 MWH SALES

FOR TEXAS' ELECTRIC UTILITIES

TEXAS PUC - COMPANY ANALYSIS REPORT
TOTAL TEXAS INDUSTRY (TXI)
FOR THE FIVE YEARS ENDED 1986

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 212,901 | 216,424 | 214,639 | 197,934 | 196,064 | -1.6 | 0.8 | 8.4 | 1.0 | -0.1 | 1.6 | 1.6 |
| RES CENTS PER KWH | 6.7 | 7.5 | 7.3 | 7.2 | 6.7 | -10.6 | 2.7 | 1.5 | 7.2 | 15.6 | 2.9 | 2.9 |
| RES KWH PER CUST PER MO | 1,002 | 1,019 | 1,006 | 948 | 1,013 | -1.7 | 1.3 | 6.1 | -6.4 | 4.0 | 0.6 | 0.6 |
| CONSTR EXP(000 $) | 2,729,656 | 2,842,897 | 2,983,667 | 2,971,528 | 2,790,137 | -4.0 | -4.7 | 0.4 | 6.5 | 22.2 | 3.6 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 52.2 | 58.2 | 62.3 | 61.8 | 67.0 | | | | | | | |
| COAL/LIGNITE | 45.8 | 41.8 | 37.7 | 38.2 | 33.0 | | | | | | | |
| NUCLEAR | 2.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 14.9 | 16.5 | 16.4 | 16.1 | 13.9 | 15.6 | 15.6 |
| AFC TO EARN | 66.1 | 57.2 | 47.3 | 39.3 | 47.1 | 51.4 | 51.4 |
| YIELD | 7.3 | 9.0 | 9.9 | 10.1 | 9.4 | 9.1 | 9.1 |
| PAYOUT RATIO | 60.9 | 59.2 | 59.1 | 60.9 | 66.9 | 61.4 | 61.4 |
| MARKET TO BOOK | 125.8 | 114.0 | 100.6 | 95.6 | 96.1 | 106.4 | 106.4 |
| PE RATIO(X) | 8.3 | 6.6 | 6.0 | 6.0 | 7.1 | 6.8 | 6.8 |
| INTERNAL GEN | 28.6 | 30.6 | 35.0 | 37.8 | 28.6 | 32.1 | 32.1 |
| INT COV INCL AFC(X) | 3.1 | 3.3 | 3.4 | 3.4 | 3.1 | 3.3 | 3.3 |
| INT COV EXCL AFC(X) | 2.2 | 2.5 | 2.7 | 2.8 | 2.5 | 2.6 | 2.6 |
| CASH FLOW COV OF DIV | 1.7 | 1.8 | 2.1 | 2.3 | 2.1 | 2.0 | 2.0 |
| LONG TERM DEBT RATIO | 46.5 | 46.3 | 46.1 | 45.5 | 47.1 | 46.3 | 46.3 |
| COMMON EQUITY RATIO | 44.2 | 44.5 | 44.2 | 44.8 | 43.3 | 44.2 | 44.2 |
| PREFERRED STOCK RATIO | 9.3 | 9.2 | 9.7 | 9.8 | 9.7 | 9.5 | 9.5 |
| EFFECTIVE TAX RATE | 28.8 | 31.0 | 33.2 | 33.4 | 32.7 | 31.8 | 31.8 |
| BOND RATING | N/A | N/A | N/A | N/A | N/A | | |
| PCT TPUC JURIS SALES | 85.5 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
TOTAL TEXAS INDUSTRY (TXI)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 11,705,036 | 13,179,724 | 12,719,577 | 11,787,780 | 11,001,803 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -11.2 | 3.6 | 7.9 | 7.1 | 18.7 | 4.8 | 4.8 | | | | | | | |
| FUEL & PP | 5,328,036 | 6,712,604 | 6,606,789 | 6,261,433 | 6,018,828 | | | 45.5 | 50.9 | 51.9 | 53.1 | 54.7 | 51.2 | 51.2 |
| | -20.6 | 1.6 | 5.5 | 4.0 | 21.9 | 1.5 | 1.5 | | | | | | | |
| O & M | 2,225,674 | 2,123,942 | 1,953,323 | 1,772,045 | 1,653,438 | | | 19.0 | 16.1 | 15.4 | 15.0 | 15.0 | 16.1 | 16.1 |
| | 4.8 | 8.7 | 10.2 | 7.2 | 18.0 | 9.7 | 9.7 | | | | | | | |
| DEPR | 798,246 | 683,971 | 643,851 | 612,752 | 537,993 | | | 6.8 | 5.2 | 5.1 | 5.2 | 4.9 | 5.4 | 5.4 |
| | 16.7 | 6.2 | 5.1 | 13.9 | 8.7 | 10.0 | 10.0 | | | | | | | |
| CURR FIT | 269,571 | 311,040 | 309,118 | 212,230 | 220,559 | | | 2.3 | 2.4 | 2.4 | 1.8 | 2.0 | 2.2 | 2.2 |
| DEF TAX | 317,829 | 475,770 | 335,693 | 288,476 | 291,640 | | | 2.7 | 3.6 | 2.6 | 2.4 | 2.7 | 2.8 | 2.8 |
| ITC | 182,814 | 73,867 | 209,848 | 256,515 | 144,811 | | | 1.6 | 0.6 | 1.6 | 2.2 | 1.3 | 1.5 | 1.5 |
| FIT | 770,214 | 860,677 | 854,659 | 757,221 | 657,010 | | | 6.6 | 6.5 | 6.7 | 6.4 | 6.0 | 6.4 | 6.4 |
| | -10.5 | 0.7 | 12.9 | 15.3 | 9.4 | 5.1 | 5.1 | | | | | | | |
| OTH TAX | 646,168 | 621,743 | 571,644 | 498,085 | 465,046 | | | 5.5 | 4.7 | 4.5 | 4.2 | 4.2 | 4.6 | 4.6 |
| | 3.9 | 8.8 | 14.8 | 7.1 | 14.3 | 9.7 | 9.7 | | | | | | | |
| OPER INC | 1,936,698 | 2,176,787 | 2,089,311 | 1,886,244 | 1,669,488 | | | 16.5 | 16.5 | 16.4 | 16.0 | 15.2 | 16.1 | 16.1 |
| | -11.0 | 4.2 | 10.8 | 13.0 | 16.8 | 6.3 | 6.3 | | | | | | | |
| AFC | 1,151,744 | 1,000,980 | 732,591 | 523,385 | 469,309 | | | 9.8 | 7.6 | 5.8 | 4.4 | 4.3 | 6.4 | 6.4 |
| | 15.1 | 36.6 | 40.0 | 11.5 | 33.3 | 26.7 | 26.7 | | | | | | | |
| OTH INC | 169,390 | 547 | 9,971 | 33,729 | -139,433 | | | 1.4 | 0.0 | 0.1 | 0.3 | -1.3 | 0.1 | 0.1 |
| INTEREST | 1,292,660 | 1,220,214 | 1,086,548 | 950,939 | 860,167 | | | 11.0 | 9.3 | 8.5 | 8.1 | 7.8 | 8.9 | 8.9 |
| | 5.9 | 12.3 | 14.3 | 10.6 | 20.6 | 12.6 | 12.6 | | | | | | | |
| NET INCOME | 1,965,172 | 1,958,100 | 1,745,325 | 1,492,419 | 1,139,197 | | | 16.8 | 14.9 | 13.7 | 12.7 | 10.4 | 13.7 | 13.7 |
| | 0.4 | 12.2 | 16.9 | 31.0 | 2.7 | 12.1 | 12.1 | | | | | | | |
| PREF DIV | 222,055 | 209,264 | 196,142 | 161,740 | 142,251 | | | 1.9 | 1.6 | 1.5 | 1.4 | 1.3 | 1.5 | 1.5 |
| | 6.1 | 6.7 | 21.3 | 13.7 | 7.5 | 10.9 | 10.9 | | | | | | | |
| INC TO COM | 1,743,117 | 1,748,836 | 1,549,183 | 1,330,679 | 996,946 | | | 14.9 | 13.3 | 12.2 | 11.3 | 9.1 | 12.1 | 12.1 |
| | -0.3 | 12.9 | 16.4 | 33.5 | 2.1 | 12.3 | 12.3 | | | | | | | |
| COMMON DIV | 1,108,760 | 1,110,633 | 963,053 | 842,807 | 704,620 | | | 9.5 | 8.4 | 7.6 | 7.1 | 6.4 | 7.8 | 7.8 |
| | -0.2 | 15.3 | 14.3 | 19.6 | 20.5 | 13.6 | 13.6 | | | | | | | |
| INC TO RE | 634,357 | 638,203 | 586,130 | 487,872 | 292,326 | | | 5.4 | 4.8 | 4.6 | 4.1 | 2.7 | 4.3 | 4.3 |

# TEXAS PUC - COMPANY ANALYSIS REPORT
## TOTAL TEXAS INDUSTRY (TXI)
## FOR THE FIVE YEARS ENDED 1986

### BALANCE SHEET ANALYSIS

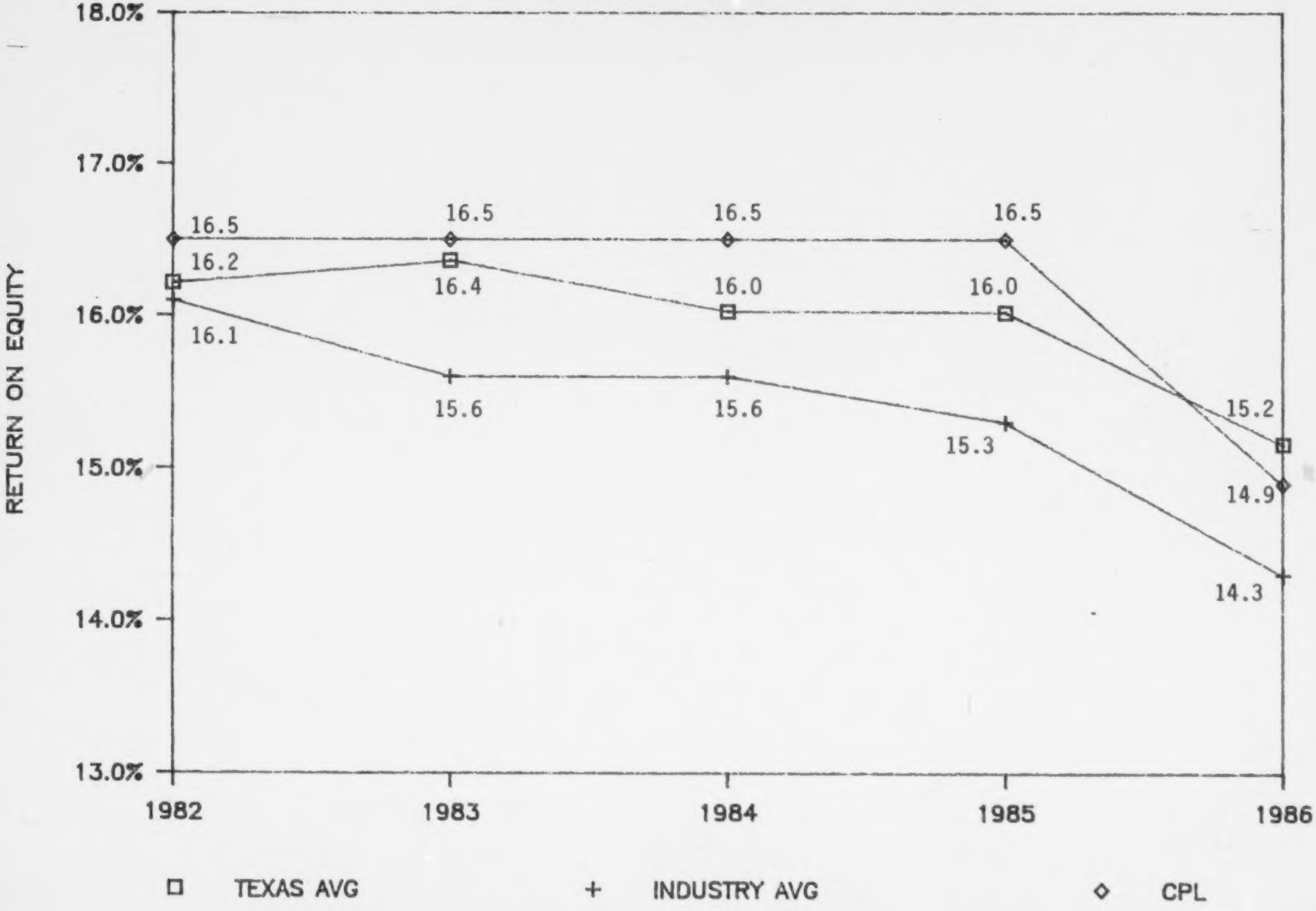
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 28,139,521 | 23,172,869 | 20,023,256 | 18,845,737 | 17,611,882 | | | 79.8 | 71.9 | 69.0 | 73.6 | 78.0 | 74.5 | 74.5 |
| CWIP & OTH | 10,072,050 | 12,198,409 | 12,077,337 | 9,698,672 | 7,527,535 | | | 28.6 | 37.8 | 41.6 | 37.9 | 33.3 | 35.8 | 35.8 |
| TOTAL PLANT | 38,211,571 | 35,371,278 | 32,100,593 | 28,544,409 | 25,139,417 | | | 108.3 | 109.7 | 110.7 | 111.4 | 111.3 | 110.3 | 110.3 |
| ACCUM DEPR | 6,608,895 | 5,983,946 | 5,508,830 | 4,988,499 | 4,476,611 | | | 18.7 | 18.6 | 19.0 | 19.5 | 19.8 | 19.1 | 19.1 |
| NET PLANT | 31,602,676 | 29,387,332 | 26,591,763 | 23,555,910 | 20,662,806 | | | 89.6 | 91.1 | 91.7 | 92.0 | 91.5 | 91.2 | 91.2 |
| | 7.5 | 10.5 | 12.9 | 14.0 | 11.6 | 11.3 | 11.3 | | | | | | | |
| CASH & INV | 979,948 | 601,242 | 307,810 | 233,463 | 178,901 | | | 2.8 | 1.9 | 1.1 | 0.9 | 0.8 | 1.5 | 1.5 |
| ACCTS REC | 739,418 | 779,272 | 836,891 | 800,338 | 709,344 | | | 2.1 | 2.4 | 2.9 | 3.1 | 3.1 | 2.7 | 2.7 |
| INVENTORY | 523,546 | 515,278 | 537,049 | 441,045 | 524,624 | | | 1.5 | 1.6 | 1.9 | 1.7 | 2.3 | 1.8 | 1.8 |
| OTH CURREN | 201,458 | 214,024 | 104,742 | 72,736 | 65,371 | | | 0.6 | 0.7 | 0.4 | 0.3 | 0.3 | 0.4 | 0.4 |
| TOTAL CURR | 2,444,370 | 2,109,816 | 1,786,492 | 1,547,582 | 1,478,240 | | | 6.9 | 6.5 | 6.2 | 6.0 | 6.5 | 6.4 | 6.4 |
| | 15.9 | 18.1 | 15.4 | 4.7 | 14.4 | 13.6 | 13.6 | | | | | | | |
| OTH ASSETS | 1,221,936 | 745,183 | 621,471 | 508,662 | 441,649 | | | 3.5 | 2.3 | 2.1 | 2.0 | 2.0 | 2.4 | 2.4 |
| TOTAL ASSETS | 35,268,982 | 32,242,331 | 28,999,726 | 25,612,154 | 22,582,695 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 9.4 | 11.2 | 13.2 | 13.4 | 12.7 | 12.0 | 12.0 | | | | | | | |
| COMMON EQ | 12,176,197 | 11,219,543 | 9,961,992 | 8,917,776 | 7,657,028 | | | 34.5 | 34.8 | 34.4 | 34.8 | 33.9 | 34.5 | 34.5 |
| | 8.5 | 12.6 | 11.7 | 16.5 | 14.1 | 12.7 | 12.7 | | | | | | | |
| PREF STOCK | 2,570,135 | 2,315,065 | 2,181,706 | 1,946,849 | 1,707,595 | | | 7.3 | 7.2 | 7.5 | 7.6 | 7.6 | 7.4 | 7.4 |
| | 11.0 | 6.1 | 12.1 | 14.0 | 6.2 | 9.8 | 9.8 | | | | | | | |
| LT DEBT | 12,805,718 | 11,685,311 | 10,397,676 | 9,058,273 | 8,325,951 | | | 36.3 | 36.2 | 35.9 | 35.4 | 36.9 | 36.1 | 36.1 |
| | 9.6 | 12.4 | 14.8 | 8.8 | 13.0 | 11.7 | 11.7 | | | | | | | |
| TOTAL CAP | 27,552,050 | 25,219,919 | 22,541,374 | 19,922,898 | 17,690,574 | | | 78.1 | 78.2 | 77.7 | 77.8 | 78.3 | 78.0 | 78.0 |
| | 9.2 | 11.9 | 13.1 | 12.6 | 12.8 | 11.9 | 11.9 | | | | | | | |
| ST DEBT | 385,821 | 308,081 | 512,644 | 557,212 | 479,007 | | | 1.1 | 1.0 | 1.8 | 2.2 | 2.1 | 1.6 | 1.6 |
| OTH CURRENT | 2,208,952 | 2,206,548 | 1,978,115 | 1,807,778 | 1,594,523 | | | 6.3 | 6.8 | 6.8 | 7.1 | 7.1 | 6.8 | 6.8 |
| TOTAL CURR | 2,594,773 | 2,514,629 | 2,490,759 | 2,364,990 | 2,073,530 | | | 7.4 | 7.8 | 8.6 | 9.2 | 9.2 | 8.4 | 8.4 |
| | 3.2 | 1.0 | 5.3 | 14.1 | 8.5 | 6.3 | 6.3 | | | | | | | |
| ACC DEF TAX | 2,968,310 | 2,693,731 | 2,217,746 | 1,838,997 | 1,555,544 | | | 8.4 | 8.4 | 7.6 | 7.2 | 6.9 | 7.7 | 7.7 |
| | 10.2 | 21.5 | 20.6 | 18.2 | 22.7 | 18.6 | 18.6 | | | | | | | |
| ACC ITC | 1,837,428 | 1,676,324 | 1,608,744 | 1,412,571 | 1,192,267 | | | 5.2 | 5.2 | 5.5 | 5.5 | 5.3 | 5.4 | 5.4 |
| | 9.6 | 4.2 | 13.9 | 18.5 | 10.8 | 11.3 | 11.3 | | | | | | | |
| OTH LIAB | 316,421 | 137,730 | 141,103 | 72,698 | 70,780 | | | 0.9 | 0.4 | 0.5 | 0.3 | 0.3 | 0.5 | 0.5 |
| LIAB AND EQ | 35,268,982 | 32,242,333 | 28,999,726 | 25,612,154 | 22,582,695 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section II - Central Power and Light Company

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1981-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Megawatt Peak Demand 1982-1986
11. Fuel Mix 1982-1986
12. Operating Data 1982-1986
13. Income Statement Analysis 1982-1986
14. Balance Sheet Analysis 1982-1986

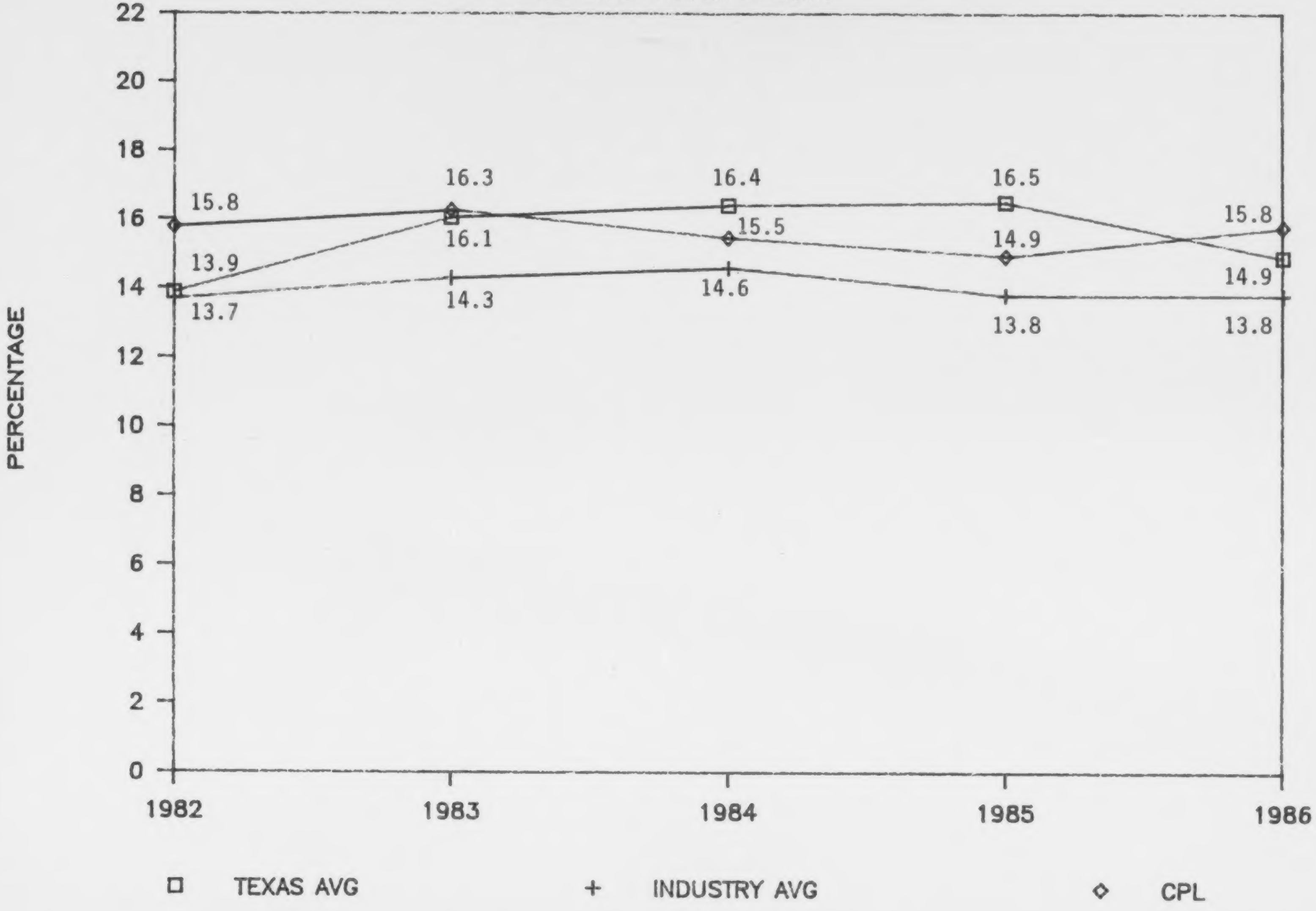
# ALLOWED RETURN ON EQUITY

## CENTRAL POWER & LIGHT



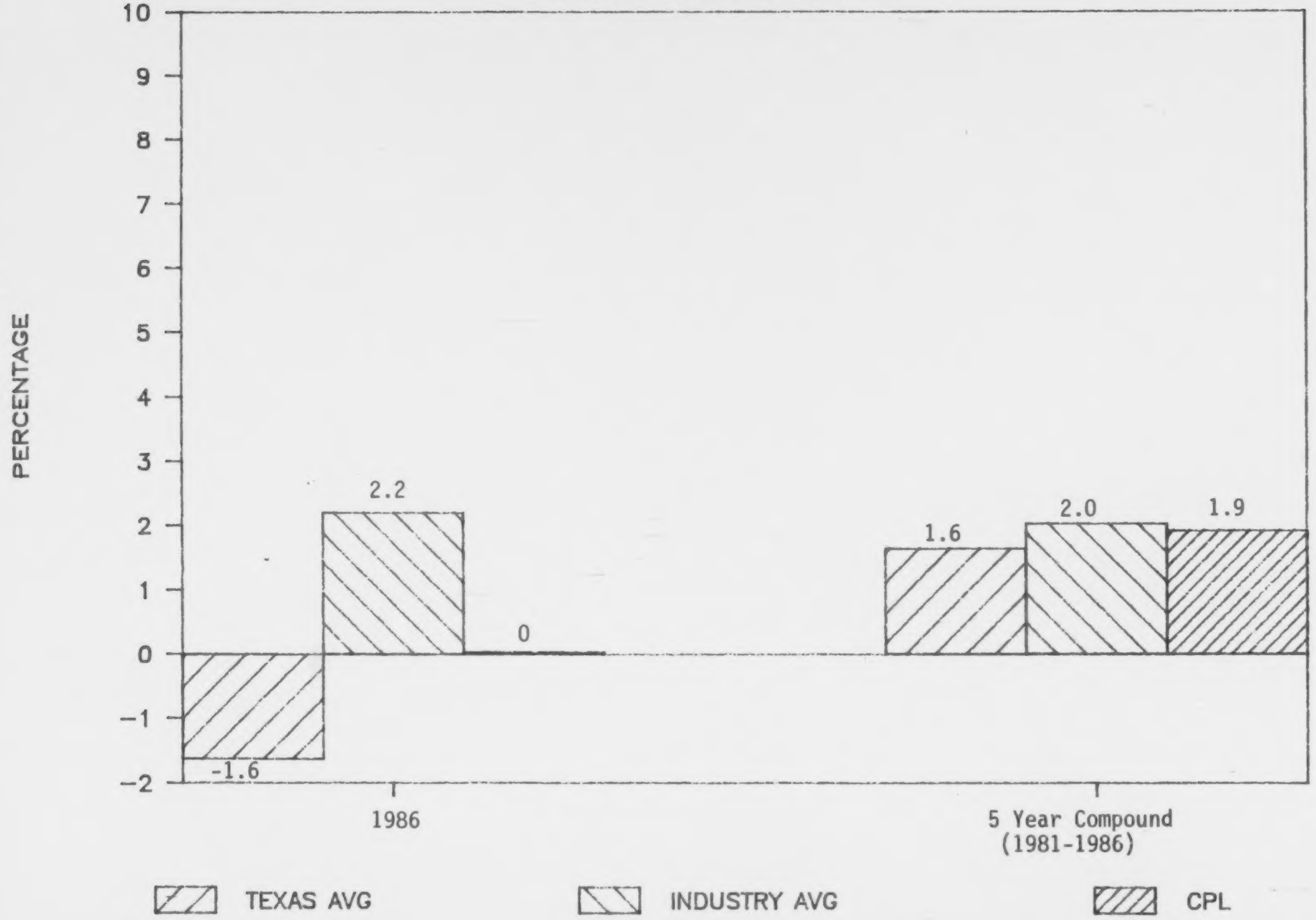
# EARNED RETURN ON EQUITY

## CENTRAL POWER & LIGHT



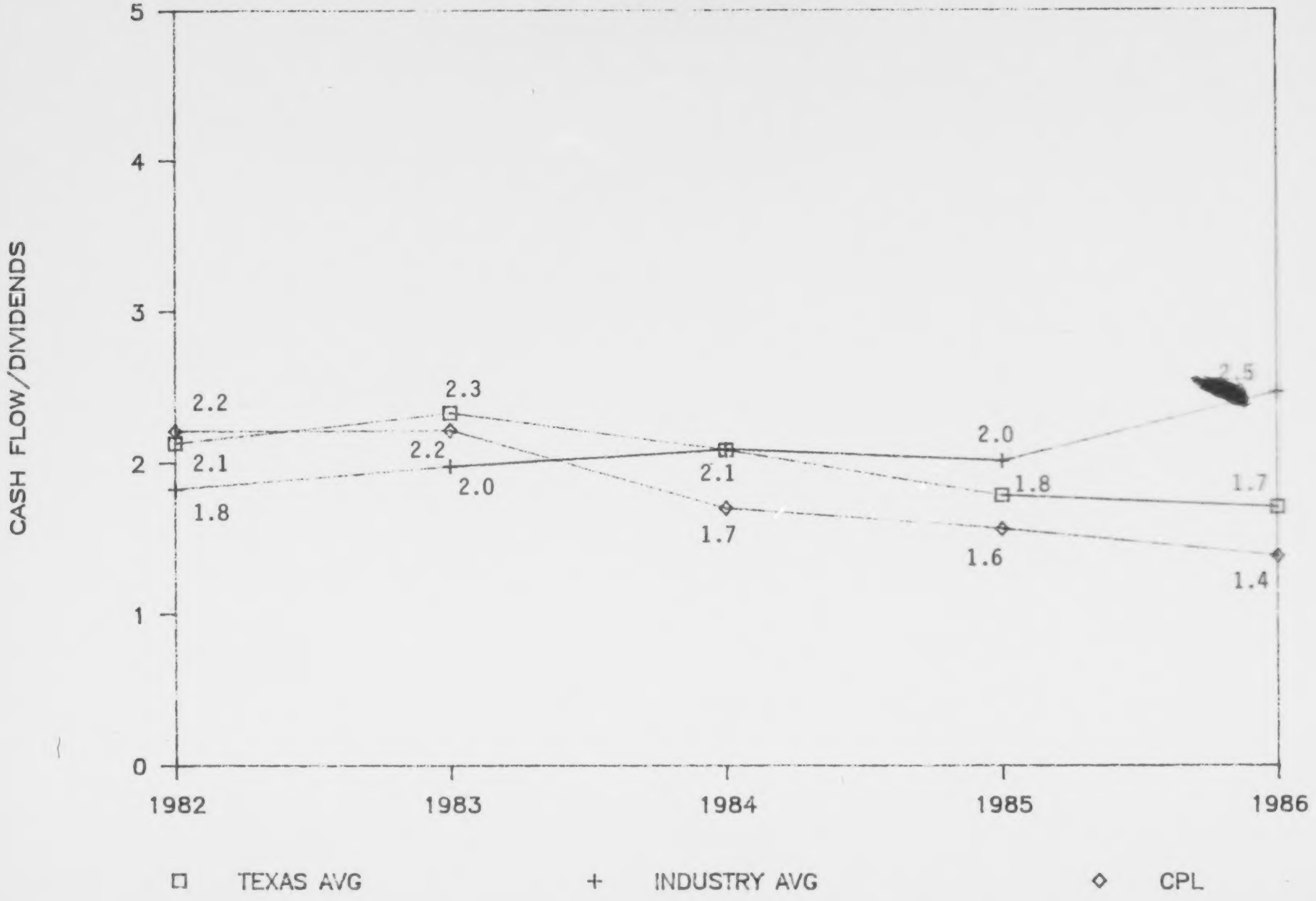
# MWH SALES GROWTH

## CENTRAL POWER & LIGHT



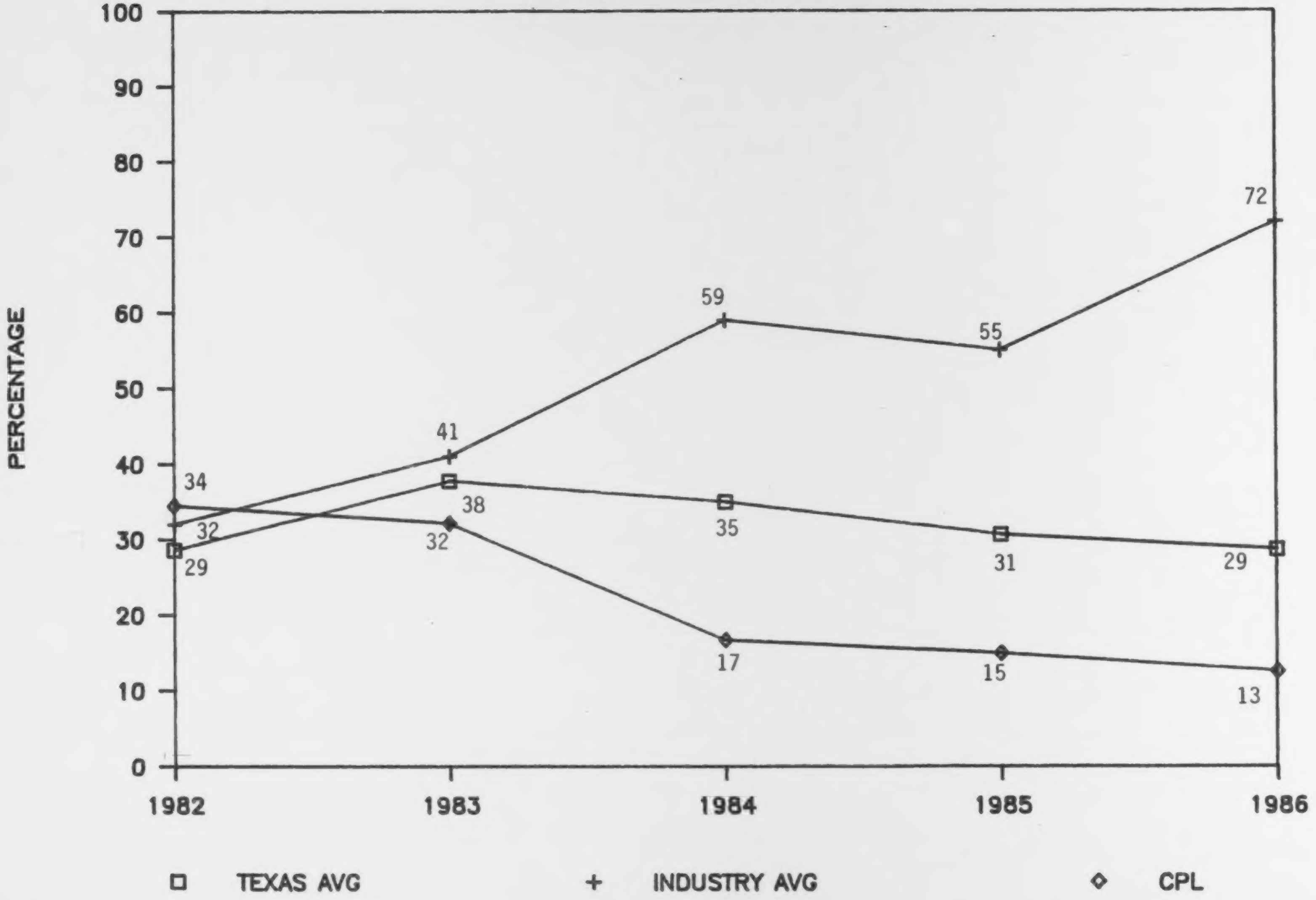
# CASH FLOW COVERAGE OF DIVIDENDS

## CENTRAL POWER & LIGHT



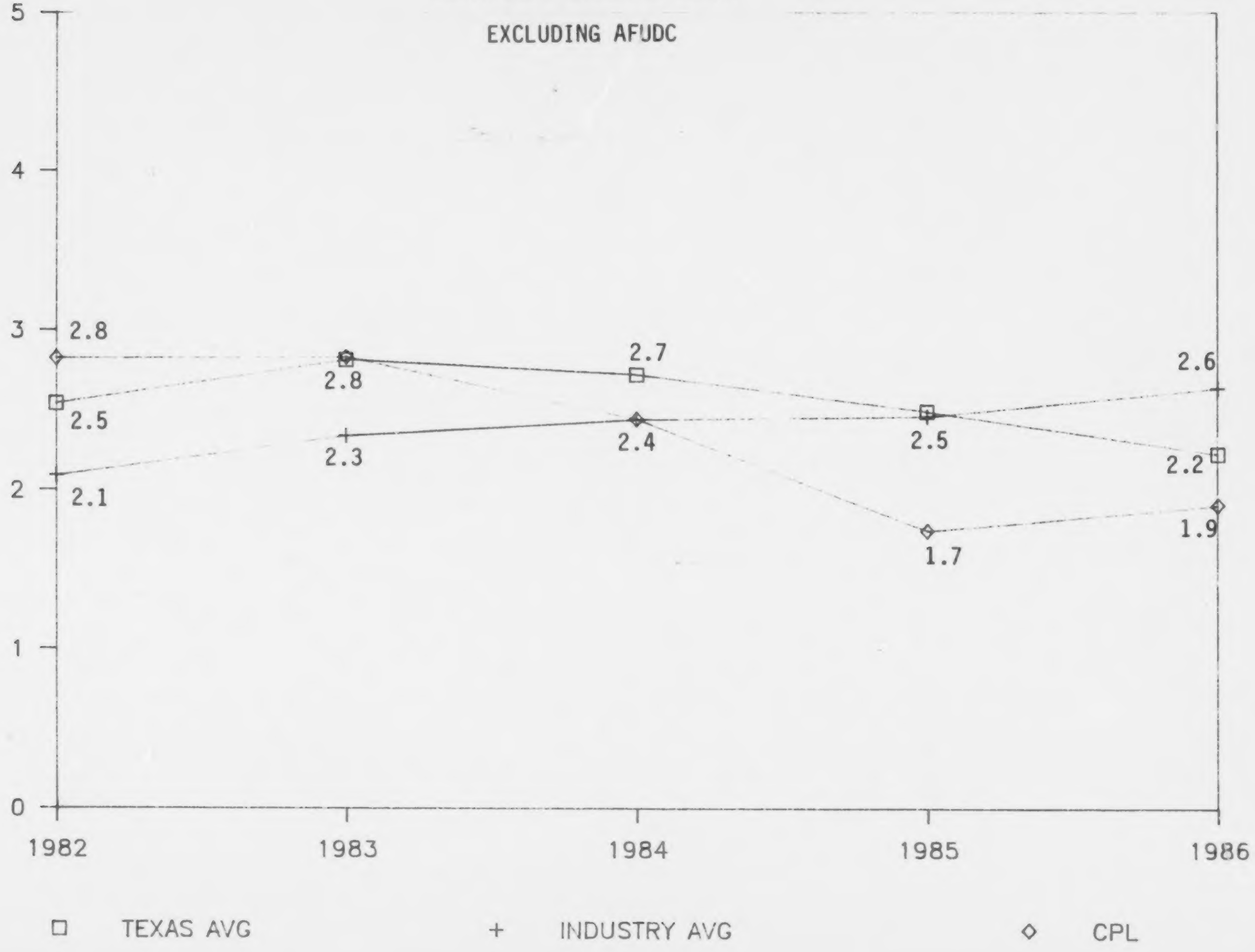
# FUNDS GENERATED INTERNALLY (%)

## CENTRAL POWER & LIGHT



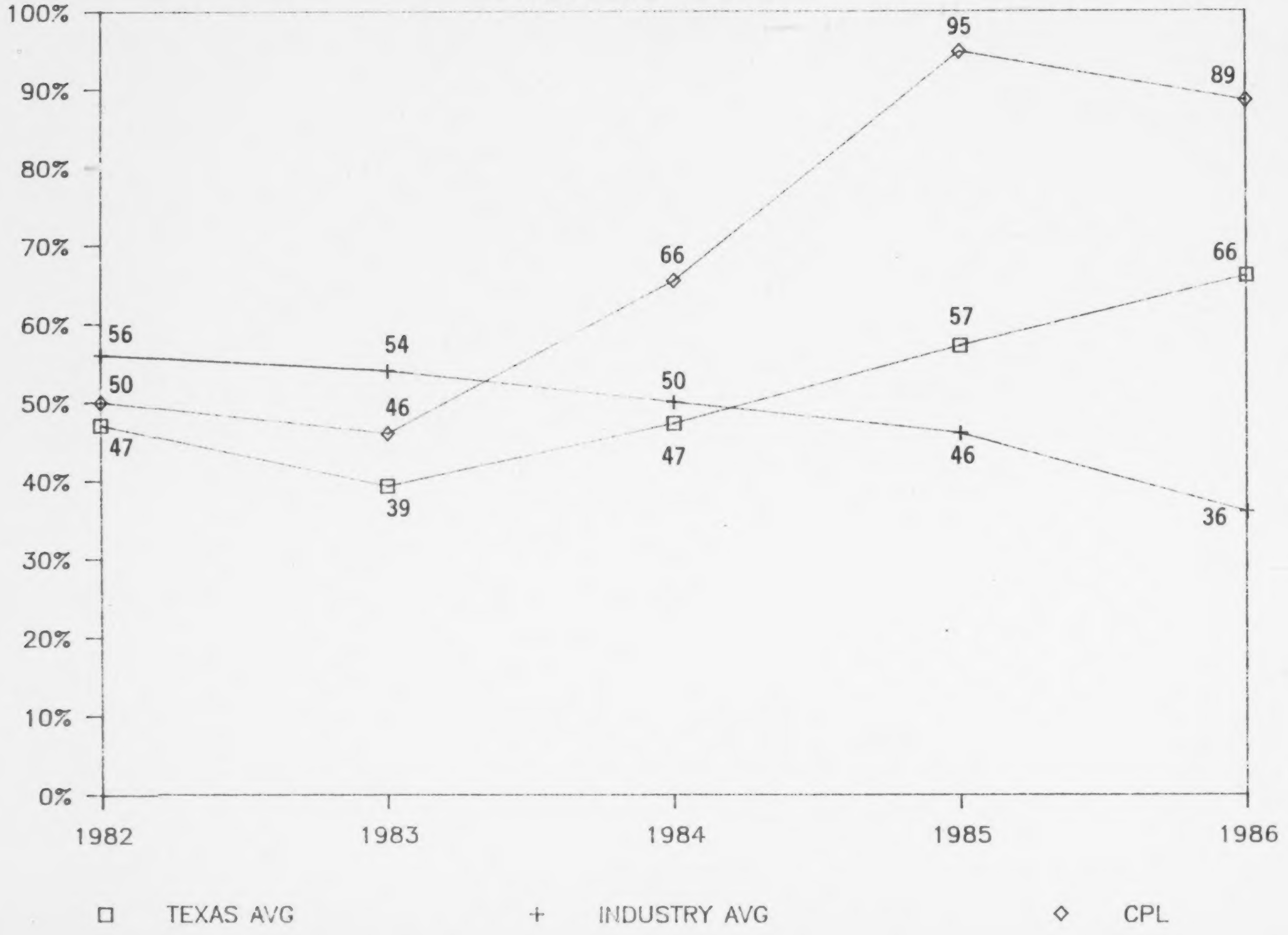
# PRE-TAX INTEREST COVERAGE

## CENTRAL POWER & LIGHT



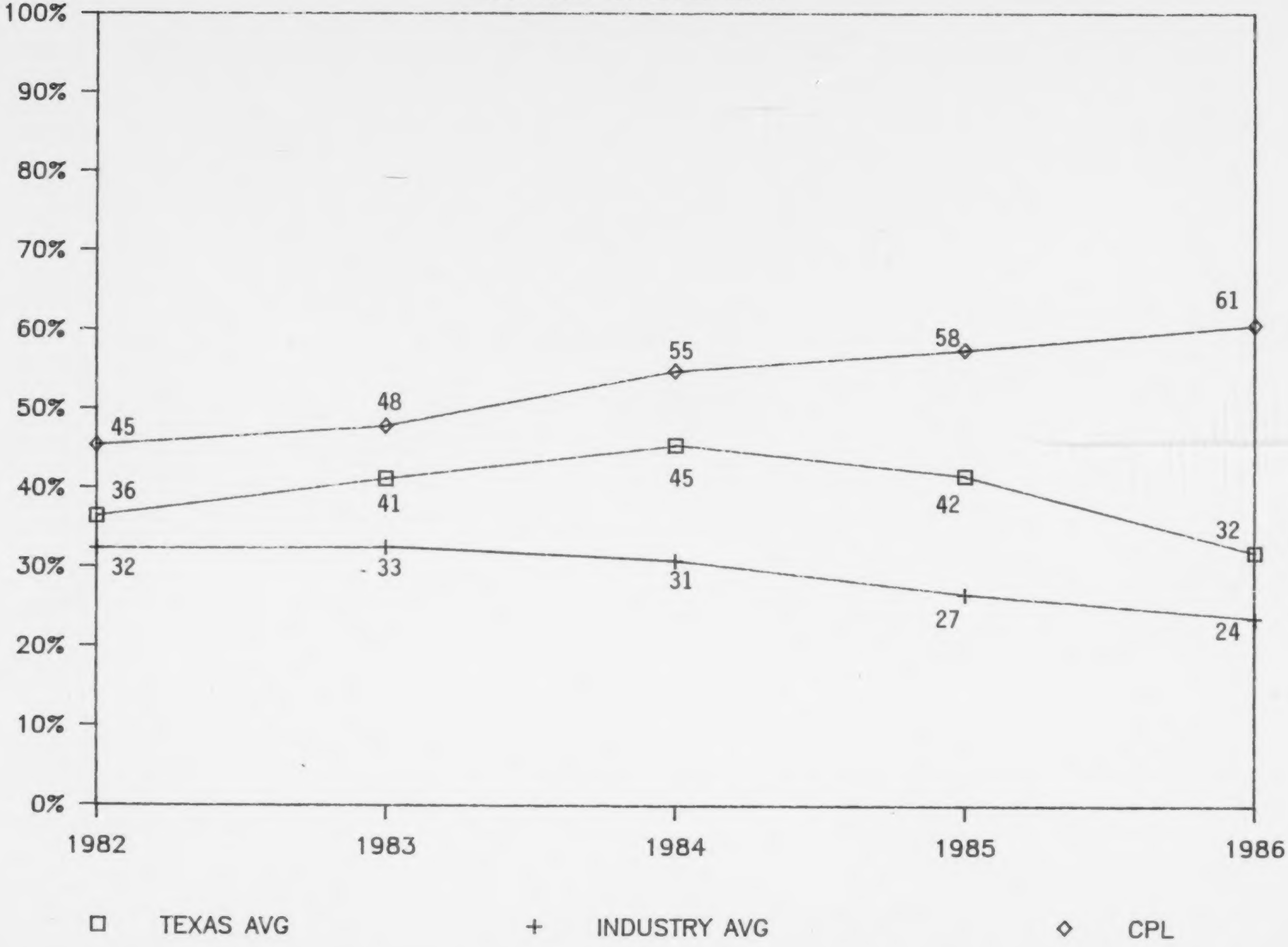
# RATIO OF AFUDC TO INCOME TO COMMON

CENTRAL POWER & LIGHT



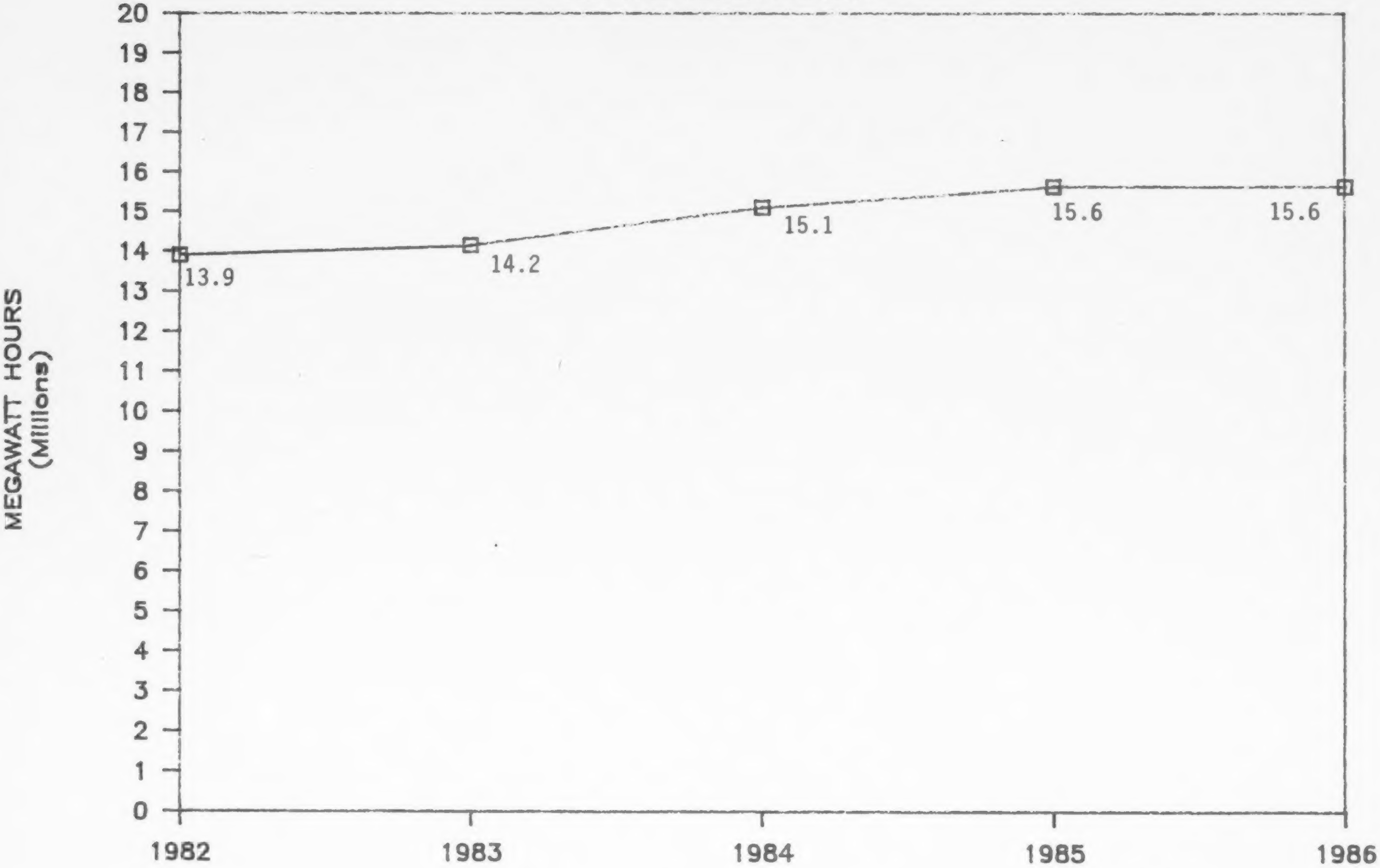
# CWIP AS A % OF NET PLANT

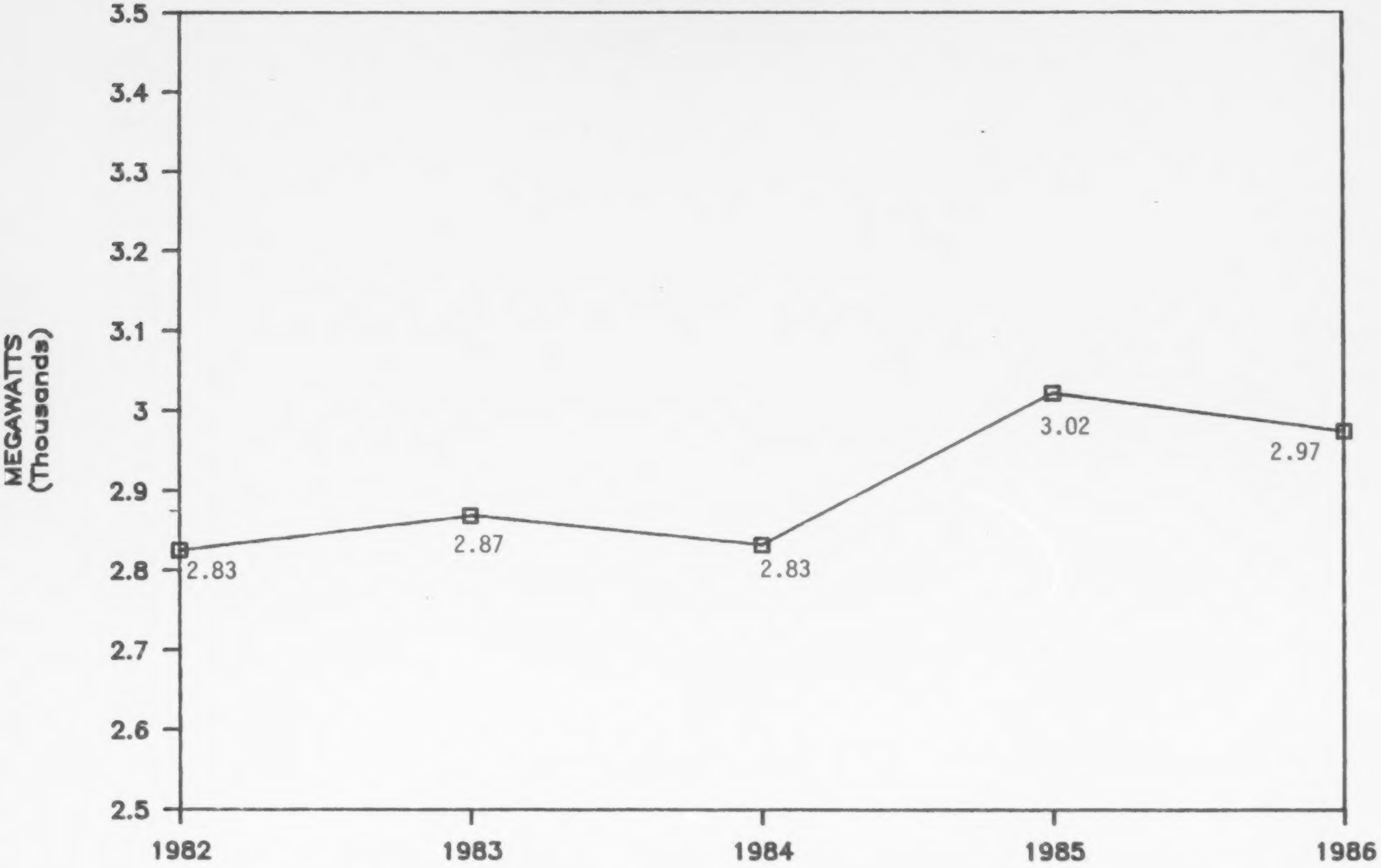
## CENTRAL POWER & LIGHT



# MWH SALES

## CENTRAL POWER & LIGHT



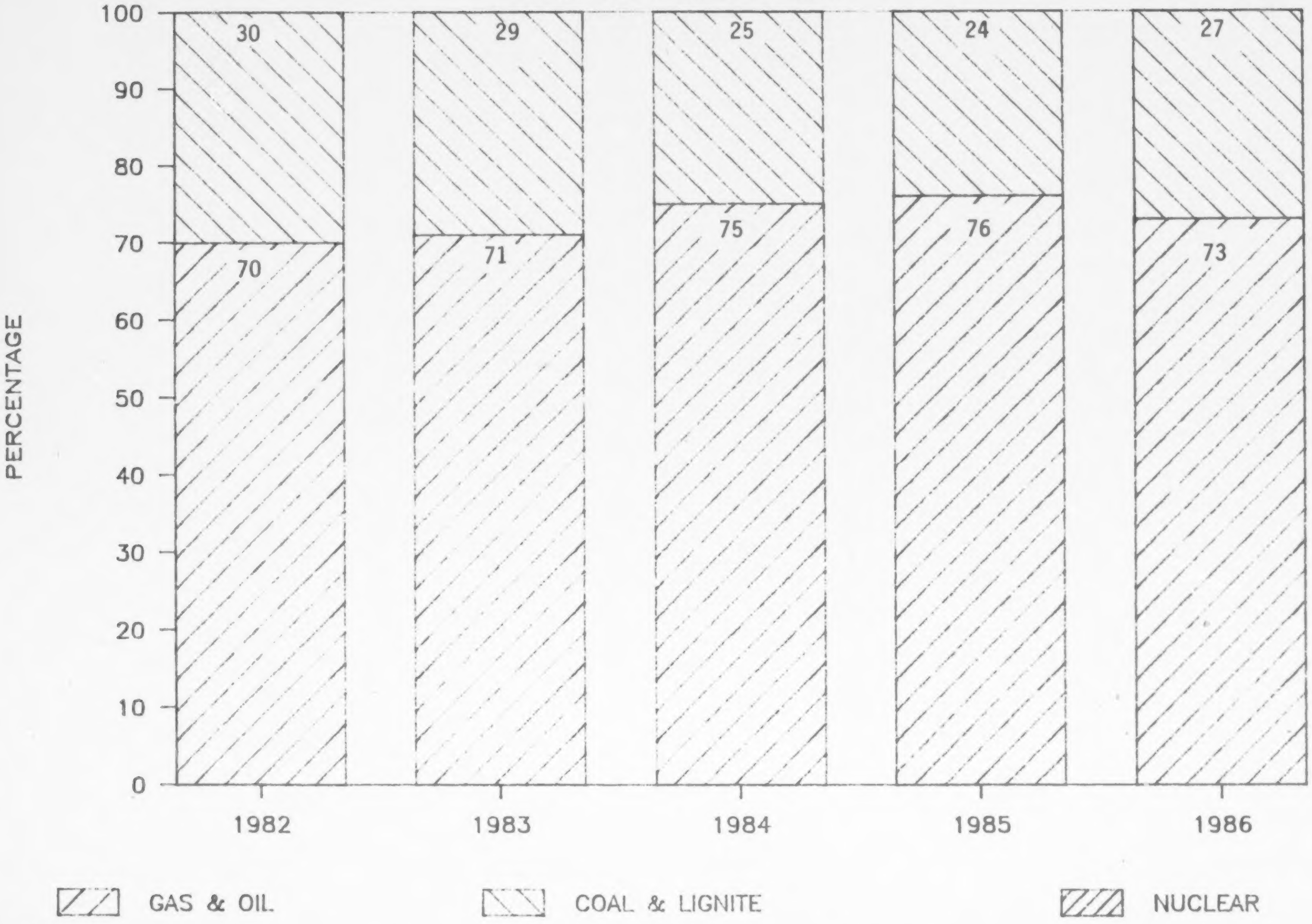


PEAK DEMAND

CENTRAL POWER & LIGHT

# FUEL MIX

CENTRAL POWER & LIGHT



## TEXAS PUC - COMPANY ANALYSIS REPORT
## CENTRAL POWER & LIGHT CO (CPL)
## FOR THE FIVE YEARS ENDED 1986

### OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 15,640 | 15,636 | 15,109 | 14,159 | 13,910 | 0.0 | 3.5 | 6.7 | 1.8 | -2.2 | 1.9 | 1.6 |
| MW PEAK DEMAND | 2,974 | 3,022 | 2,832 | 2,869 | 2,825 | -1.6 | 6.7 | -1.3 | 1.6 | 3.3 | 1.7 | 2.7 |
| RESERVE MARGIN | 24.5 | 22.0 | 29.5 | 26.4 | 24.7 | | | | | | | |
| RES CENTS PER KWH | 6.2 | 6.6 | 7.1 | 7.5 | 7.1 | -5.7 | -6.8 | -5.1 | 5.4 | 13.3 | -0.1 | 2.9 |
| RES KWH PER CUST PER MO | 856 | 856 | 829 | 785 | 840 | 0.1 | 3.2 | 5.6 | -6.5 | 4.6 | 1.3 | 0.6 |
| CONSTR EXP(000 $) | 293,124 | 326,993 | 307,187 | 235,724 | 190,311 | -10.4 | 6.4 | 30.3 | 23.9 | 19.6 | 13.0 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 73.0 | 76.0 | 75.0 | 71.0 | 70.0 | | | | | | | |
| COAL/LIGNITE | 27.0 | 24.0 | 25.0 | 29.0 | 30.0 | | | | | | | |

### FINANCIAL DATA

| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 3.75 | 3.61 | 3.43 | 3.02 | 2.82 | 3.9 | 5.2 | 13.6 | 7.1 | 11.0 | 8.1 | -0.8 |
| DIVIDENDS PER SHARE($) | 2.02 | 2.02 | 1.90 | 1.78 | 1.68 | 0.0 | 6.3 | 6.7 | 6.0 | 6.3 | 5.0 | -0.8 |
| STOCK PRICE($) | 34.25 | 27.50 | 22.75 | 19.50 | 17.63 | 24.5 | 20.9 | 16.7 | 10.6 | 27.0 | 19.8 | 8.8 |
| BOOK VALUE PER SHARE($) | 24.89 | 23.29 | 21.68 | 20.21 | 19.01 | 6.9 | 7.4 | 7.3 | 6.3 | 5.6 | 6.7 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 15.8 | 14.9 | 15.5 | 16.3 | 15.8 | 15.6 | 15.6 |
| AFC TO EARN | 88.5 | 94.8 | 65.5 | 46.0 | 50.0 | 69.0 | 51.4 |
| YIELD | 6.5 | 8.0 | 9.0 | 9.6 | 10.7 | 8.8 | 9.1 |
| PAYOUT RATIO | 53.9 | 56.0 | 55.4 | 58.9 | 59.6 | 56.7 | 61.4 |
| MARKET TO BOOK | 137.6 | 118.1 | 104.9 | 96.5 | 92.7 | 110.0 | 106.4 |
| PE RATIO(X) | 8.2 | 7.0 | 6.2 | 6.1 | 5.6 | 6.6 | 6.8 |
| INTERNAL GEN | 12.5 | 14.9 | 16.7 | 32.1 | 34.4 | 22.1 | 32.1 |
| INT COV INCL AFC(X) | 3.1 | 2.9 | 3.4 | 3.5 | 3.6 | 3.3 | 3.3 |
| INT COV EXCL AFC(X) | 1.9 | 1.7 | 2.4 | 2.8 | 2.8 | 2.3 | 2.6 |
| CASH FLOW COV OF DIV | 1.4 | 1.6 | 1.7 | 2.2 | 2.2 | 1.8 | 2.0 |
| LONG TERM DEBT RATIO | 45.7 | 46.0 | 45.6 | 44.6 | 45.7 | 45.5 | 46.3 |
| COMMON EQUITY RATIO | 45.0 | 45.5 | 44.8 | 44.3 | 44.9 | 44.9 | 44.2 |
| PREFERRED STOCK RATIO | 9.3 | 8.5 | 9.6 | 11.1 | 9.4 | 9.6 | 9.5 |
| EFFECTIVE TAX RATE | 29.5 | 29.3 | 32.9 | 35.9 | 35.7 | 32.6 | 31.8 |
| BOND RATING | A1/A | Aa3/A | Aa3/AA- | Aa2/AA | Aa2/AA | | |
| PCT TPUC JURIS SALES | 94.7 | | | | | | |

# TEXAS PUC - COMPANY ANALYSIS REPORT
CENTRAL POWER & LIGHT CO (CPL)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 859,975 | 924,908 | 972,184 | 946,281 | 899,186 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -7.0 | -4.9 | 2.7 | 5.2 | 13.3 | 1.6 | 4.8 | | | | | | | |
| FUEL & PP | 397,404 | 493,184 | 548,889 | 549,823 | 546,044 | | | 46.2 | 53.3 | 56.5 | 58.1 | 60.7 | 55.0 | 51.2 |
| | -19.4 | -10.1 | -0.2 | 0.7 | 14.5 | -3.6 | 1.5 | | | | | | | |
| O & M | 159,407 | 148,329 | 133,393 | 110,439 | 96,845 | | | 18.5 | 16.0 | 13.7 | 11.7 | 10.8 | 14.1 | 16.1 |
| | 7.5 | 11.2 | 20.8 | 14.0 | 20.3 | 14.6 | 9.7 | | | | | | | |
| DEPR | 52,223 | 48,577 | 47,208 | 44,082 | 40,501 | | | 6.1 | 5.3 | 4.9 | 4.7 | 4.5 | 5.1 | 5.4 |
| | 7.5 | 2.9 | 7.1 | 8.8 | 7.0 | 6.7 | 10.0 | | | | | | | |
| CURR FIT | 6,589 | -16,709 | 31,642 | 33,057 | 24,896 | | | 0.8 | -1.8 | 3.3 | 3.5 | 2.8 | 1.7 | 2.2 |
| DEF TAX | 42,750 | 68,069 | 11,006 | 15,080 | 20,347 | | | 5.0 | 7.4 | 1.1 | 1.6 | 2.3 | 3.5 | 2.8 |
| ITC | 19,748 | 11,606 | 24,258 | 19,122 | 11,796 | | | 2.3 | 1.3 | 2.5 | 2.0 | 1.3 | 1.9 | 1.5 |
| FIT | 69,087 | 62,966 | 66,906 | 67,259 | 57,039 | | | 8.0 | 6.8 | 6.9 | 7.1 | 6.3 | 7.0 | 6.4 |
| | 9.7 | -5.9 | -0.5 | 17.9 | 5.9 | 5.1 | 5.1 | | | | | | | |
| OTH TAX | 36,388 | 32,940 | 31,865 | 29,430 | 39,155 | | | 4.2 | 3.6 | 3.3 | 3.1 | 4.4 | 3.7 | 4.6 |
| | 10.5 | 3.4 | 8.3 | -24.8 | -1.7 | -1.8 | 9.7 | | | | | | | |
| OPER INC | 145,466 | 138,912 | 143,923 | 145,248 | 119,602 | | | 16.9 | 15.0 | 14.8 | 15.3 | 13.3 | 15.1 | 16.1 |
| | 4.7 | -3.5 | -0.9 | 21.4 | 13.7 | 6.7 | 6.3 | | | | | | | |
| AFC | 139,937 | 129,158 | 79,765 | 50,800 | 46,940 | | | 16.3 | 14.0 | 8.2 | 5.4 | 5.2 | 9.8 | 6.4 |
| | 8.3 | 61.9 | 57.0 | 8.2 | 16.1 | 28.2 | 26.7 | | | | | | | |
| OTH INC | 3,053 | 64 | 618 | 852 | 1,359 | | | 0.4 | 0.0 | 0.1 | 0.1 | 0.2 | 0.1 | 0.1 |
| INTEREST | 114,291 | 115,970 | 86,572 | 75,332 | 63,018 | | | 13.3 | 12.5 | 8.9 | 8.0 | 7.0 | 9.9 | 8.9 |
| | -1.4 | 34.0 | 14.9 | 19.5 | 17.3 | 16.3 | 12.6 | | | | | | | |
| NET INCOME | 174,165 | 152,164 | 137,734 | 121,568 | 104,883 | | | 20.3 | 16.5 | 14.2 | 12.8 | 11.7 | 15.1 | 13.7 |
| | 14.5 | 10.5 | 13.3 | 15.9 | 12.0 | 13.2 | 12.1 | | | | | | | |
| PREF DIV | 16,010 | 15,991 | 16,005 | 11,120 | 10,966 | | | 1.9 | 1.7 | 1.6 | 1.2 | 1.2 | 1.5 | 1.5 |
| | 0.1 | -0.1 | 43.9 | 1.4 | 0.3 | 7.9 | 10.9 | | | | | | | |
| INC TO COM | 158,155 | 136,173 | 121,729 | 110,448 | 93,917 | | | 18.4 | 14.7 | 12.5 | 11.7 | 10.4 | 13.6 | 12.1 |
| | 16.1 | 11.9 | 10.2 | 17.6 | 13.5 | 13.8 | 12.3 | | | | | | | |
| COMMON DIV | 96,155 | 86,535 | 73,178 | 62,243 | 54,113 | | | 11.2 | 9.4 | 7.5 | 6.6 | 6.0 | 8.1 | 7.8 |
| | 11.1 | 18.3 | 17.6 | 15.0 | 18.4 | 16.0 | 13.6 | | | | | | | |
| INC TO RE | 62,000 | 49,638 | 48,551 | 48,205 | 39,804 | | | 7.2 | 5.4 | 5.0 | 5.1 | 4.4 | 5.4 | 4.3 |

TEXAS PUC - COMPANY ANALYSIS REPORT
CENTRAL POWER & LIGHT CO (CPL)
FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

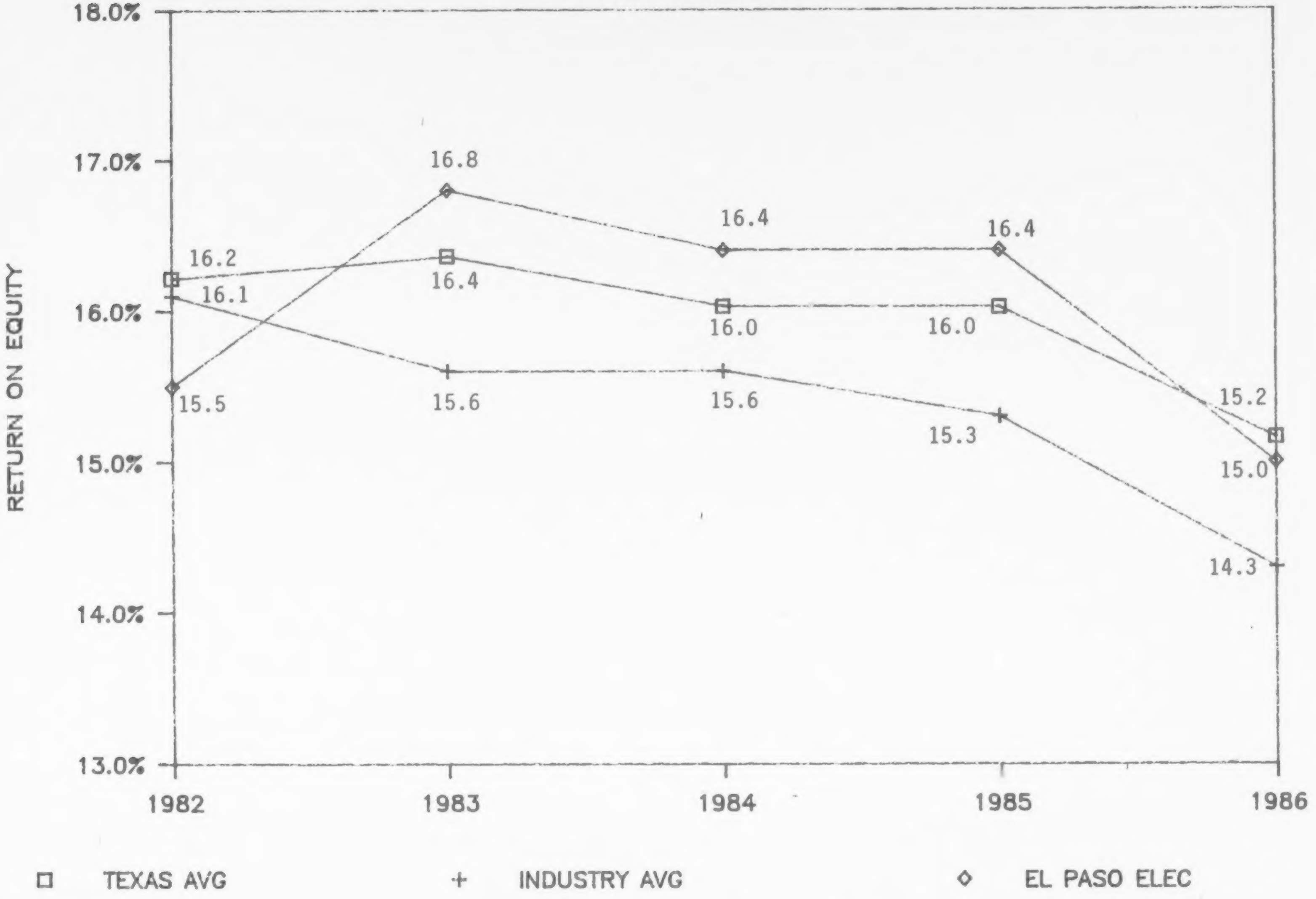
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 1,680,589 | 1,587,478 | 1,499,439 | 1,445,771 | 1,322,966 | | | 57.0 | 58.3 | 61.1 | 67.9 | 70.9 | 63.0 | 74.5 |
| CWIP & OTH | 1,746,380 | 1,469,141 | 1,259,538 | 939,718 | 787,474 | | | 59.2 | 53.9 | 51.3 | 44.1 | 42.2 | 50.2 | 35.8 |
| TOTAL PLANT | 3,426,969 | 3,056,619 | 2,758,977 | 2,385,489 | 2,110,440 | | | 116.2 | 112.2 | 112.4 | 112.0 | 113.2 | 113.2 | 110.3 |
| ACCUM DEPR | 546,285 | 503,405 | 458,834 | 418,037 | 377,738 | | | 18.5 | 18.5 | 18.7 | 19.6 | 20.3 | 19.1 | 19.1 |
| NET PLANT | 2,880,684 | 2,553,214 | 2,300,143 | 1,967,452 | 1,732,702 | | | 97.6 | 93.8 | 93.7 | 92.4 | 92.9 | 94.1 | 91.2 |
| | 12.8 | 11.0 | 16.9 | 13.5 | 12.4 | 13.3 | 11.3 | | | | | | | |
| CASH & INV | 3,131 | 86,975 | 482 | 18,567 | 4,451 | | | 0.1 | 3.2 | 0.0 | 0.9 | 0.2 | 0.9 | 1.5 |
| ACCTS REC | 16,666 | 9,758 | 55,425 | 69,196 | 62,898 | | | 0.6 | 0.4 | 2.3 | 3.2 | 3.4 | 2.0 | 2.7 |
| INVENTORY | 30,154 | 53,723 | 50,968 | 49,503 | 48,866 | | | 1.0 | 2.0 | 2.1 | 2.3 | 2.6 | 2.0 | 1.8 |
| OTH CURRENT | 6,917 | 3,156 | 29,973 | 5,999 | 1,566 | | | 0.2 | 0.1 | 1.2 | 0.3 | 0.1 | 0.4 | 0.4 |
| TOTAL CURR | 56,868 | 153,612 | 136,848 | 143,265 | 117,781 | | | 1.9 | 5.6 | 5.6 | 6.7 | 6.3 | 5.2 | 6.4 |
| | -63.0 | 12.3 | -4.5 | 21.6 | 26.3 | -9.4 | 13.6 | | | | | | | |
| OTH ASSETS | 12,577 | 16,535 | 18,621 | 19,038 | 14,555 | | | 0.4 | 0.6 | 0.8 | 0.9 | 0.8 | 0.7 | 2.4 |
| TOTAL ASSETS | 2,950,129 | 2,723,361 | 2,455,612 | 2,129,755 | 1,865,038 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 8.3 | 10.9 | 15.3 | 14.2 | 12.2 | 12.2 | 12.0 | | | | | | | |
| COMMON EQ | 1,033,443 | 971,443 | 851,805 | 723,254 | 635,049 | | | 35.0 | 35.7 | 34.7 | 34.0 | 34.1 | 34.7 | 34.5 |
| | 6.4 | 14.0 | 17.8 | 13.9 | 14.4 | 13.2 | 12.7 | | | | | | | |
| PREF STOCK | 213,060 | 181,979 | 181,989 | 182,024 | 132,770 | | | 7.2 | 6.7 | 7.4 | 8.5 | 7.1 | 7.4 | 7.4 |
| | 17.1 | 0.0 | 0.0 | 37.1 | 0.0 | 9.9 | 9.8 | | | | | | | |
| LT DEBT | 1,048,987 | 981,481 | 866,551 | 728,149 | 647,404 | | | 35.6 | 36.0 | 35.3 | 34.2 | 34.7 | 35.2 | 36.1 |
| | 6.9 | 13.3 | 19.0 | 12.5 | 12.9 | 12.8 | 11.7 | | | | | | | |
| TOTAL CAP | 2,295,490 | 2,134,903 | 1,900,345 | 1,633,427 | 1,415,223 | | | 77.8 | 78.4 | 77.4 | 76.7 | 75.9 | 77.2 | 78.0 |
| | 7.5 | 12.3 | 16.3 | 15.4 | 12.2 | 12.7 | 11.9 | | | | | | | |
| ST DEBT | 131 | 10,123 | 921 | 18,108 | 35,214 | | | 0.0 | 0.4 | 0.0 | 0.9 | 1.9 | 0.6 | 1.6 |
| OTH CURRENT | 161,495 | 147,904 | 175,731 | 158,841 | 132,319 | | | 5.5 | 5.4 | 7.2 | 7.5 | 7.1 | 6.5 | 6.8 |
| TOTAL CURR | 161,626 | 158,027 | 176,652 | 176,949 | 167,533 | | | 5.5 | 5.8 | 7.2 | 8.3 | 9.0 | 7.2 | 8.4 |
| | 2.3 | -10.5 | -0.2 | 5.6 | 27.3 | 4.2 | 6.3 | | | | | | | |
| ACC DEF TAX | 312,220 | 269,386 | 229,176 | 194,198 | 176,223 | | | 10.6 | 9.9 | 9.3 | 9.1 | 9.4 | 9.7 | 7.7 |
| | 15.9 | 17.5 | 18.0 | 10.2 | 13.8 | 15.1 | 18.6 | | | | | | | |
| ACC ITC | 180,793 | 161,045 | 149,439 | 125,181 | 106,059 | | | 6.1 | 5.9 | 6.1 | 5.9 | 5.7 | 5.9 | 5.4 |
| | 12.3 | 7.8 | 19.4 | 18.0 | 12.5 | 13.9 | 11.3 | | | | | | | |
| OTH LIAB | 0 | 0 | 0 | 0 | 0 | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| LIAB AND EQ | 2,950,129 | 2,723,361 | 2,455,612 | 2,129,755 | 1,865,038 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

# Section III - El Paso Electric Company

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1981-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Megawatt Peak Demand 1982-1986
11. Fuel Mix 1982-1986
12. Operating Data 1982-1986
13. Income Statement Analysis 1982-1986
14. Balance Sheet Analysis 1982-1986

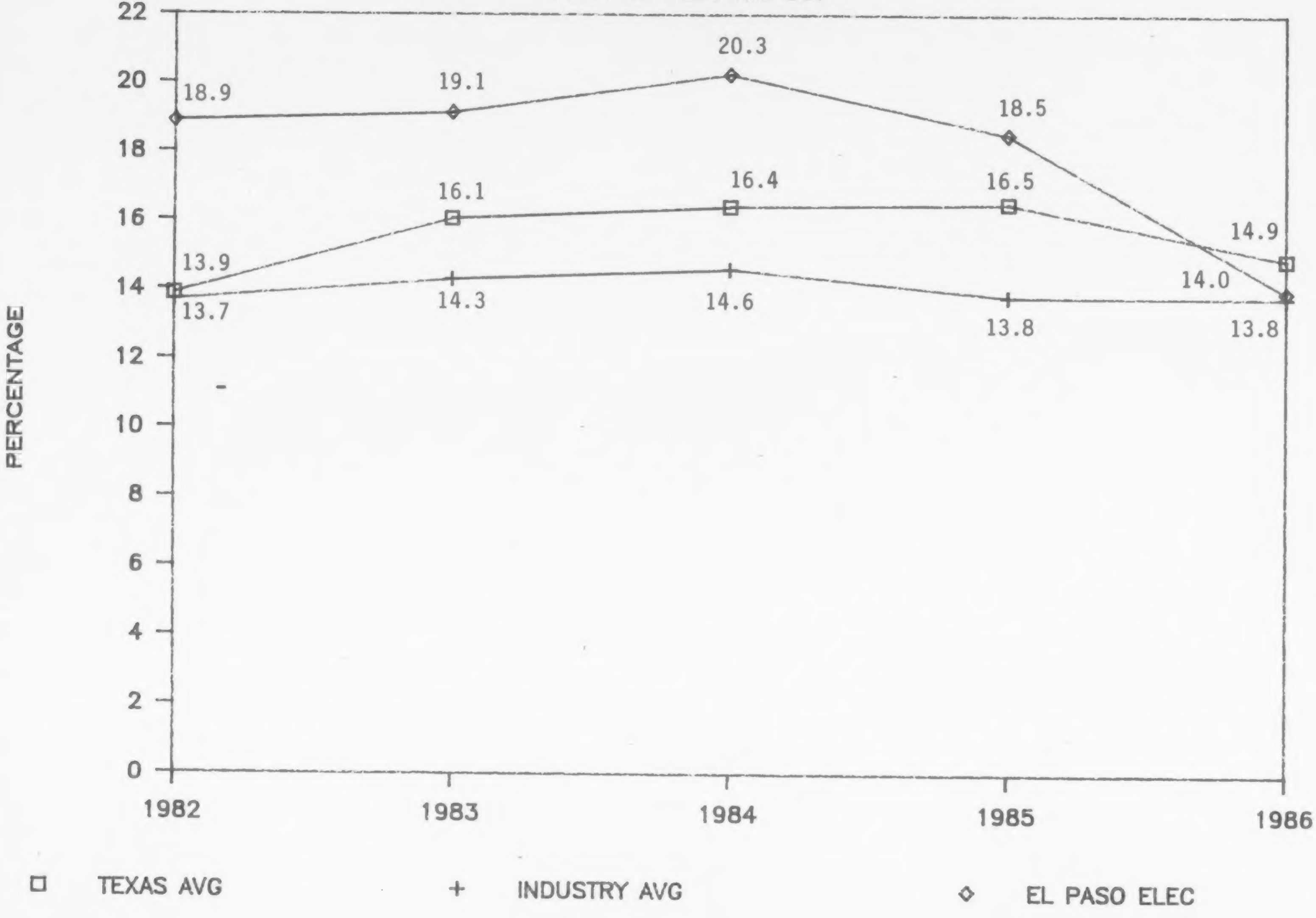
# ALLOWED RETURN ON EQUITY

EL PASO ELECTRIC CO.



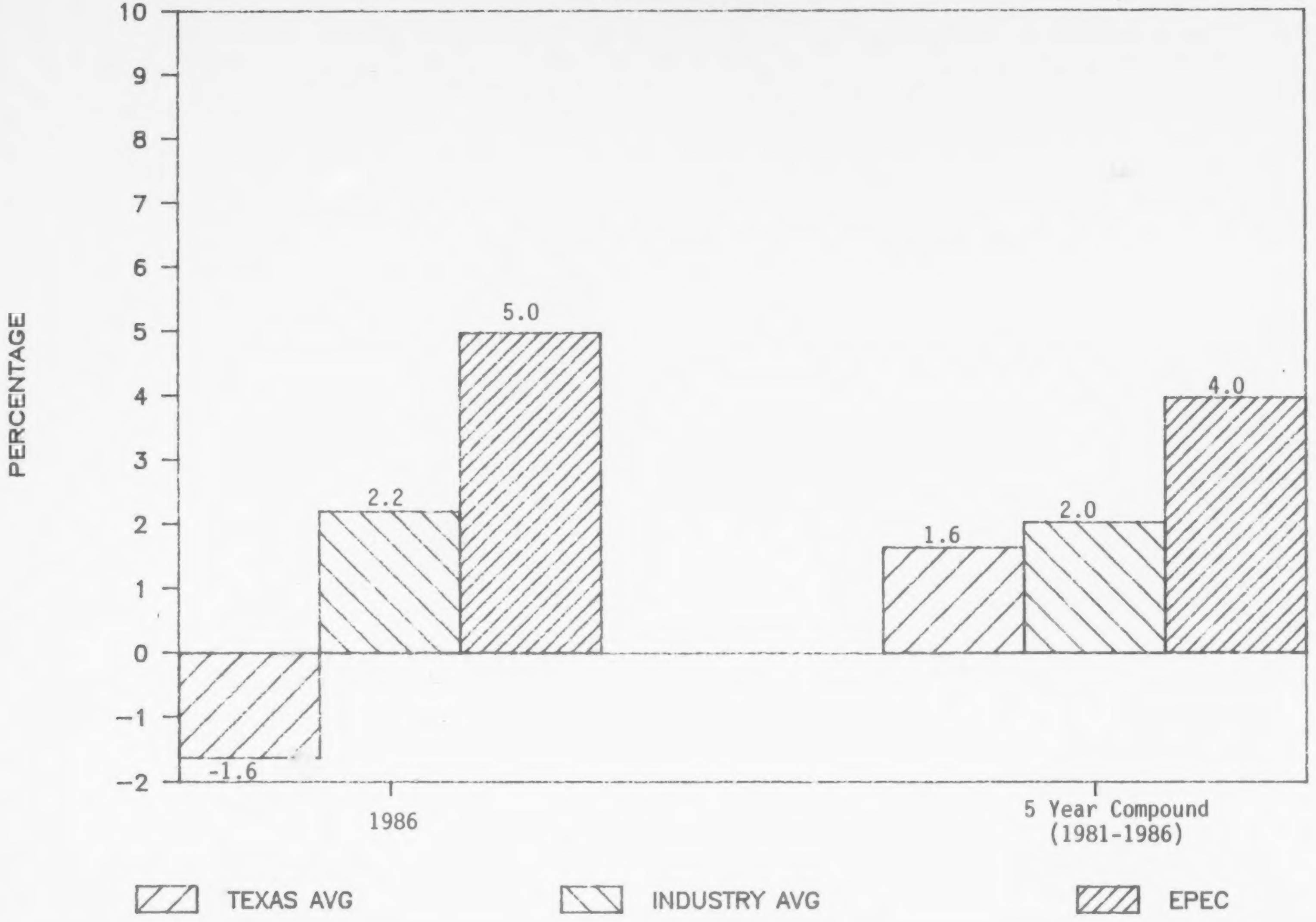
# EARNED RETURN ON EQUITY

## EL PASO ELECTRIC CO.



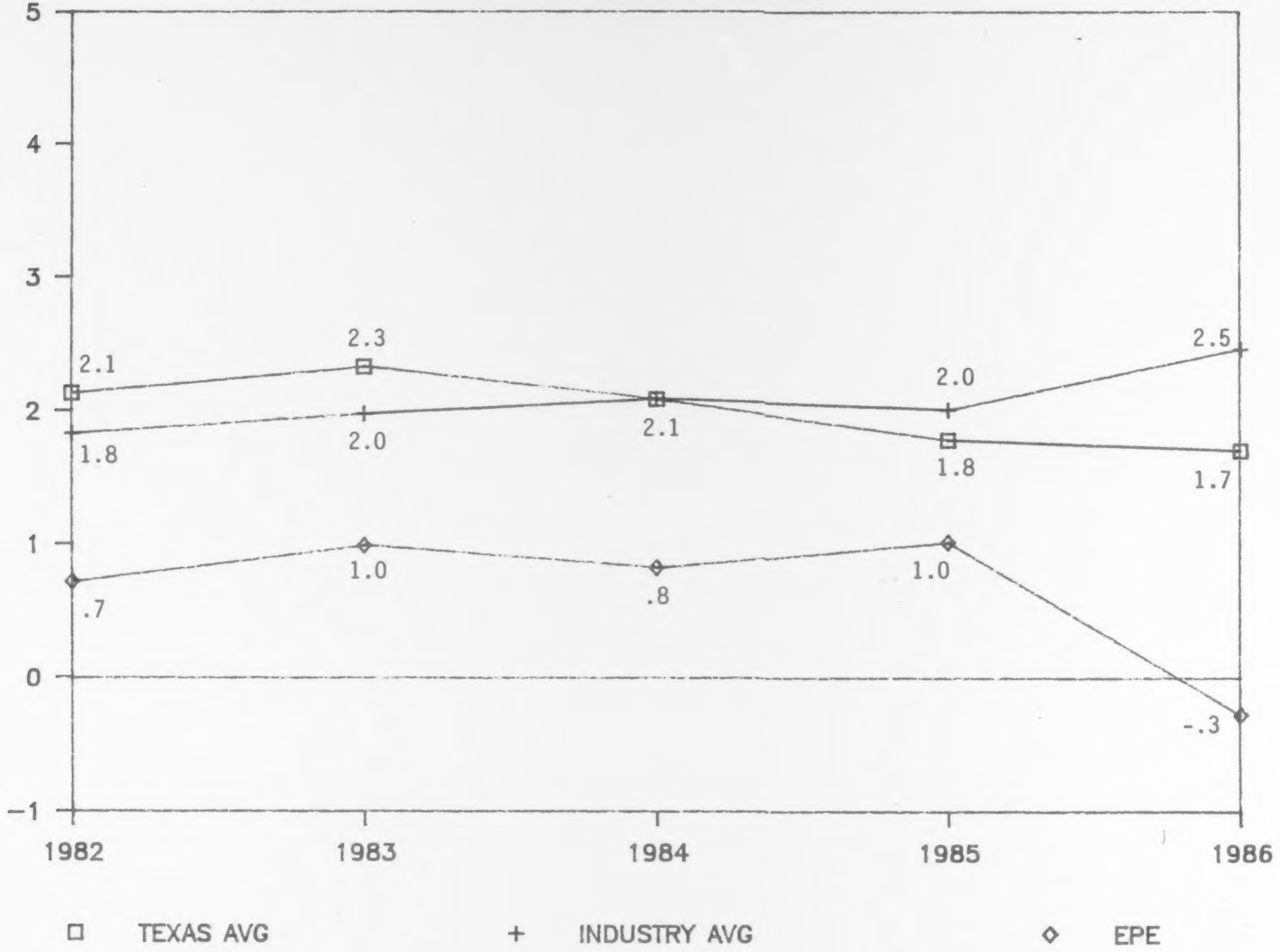
# MWH SALES GROWTH

## EL PASO ELECTRIC CO.



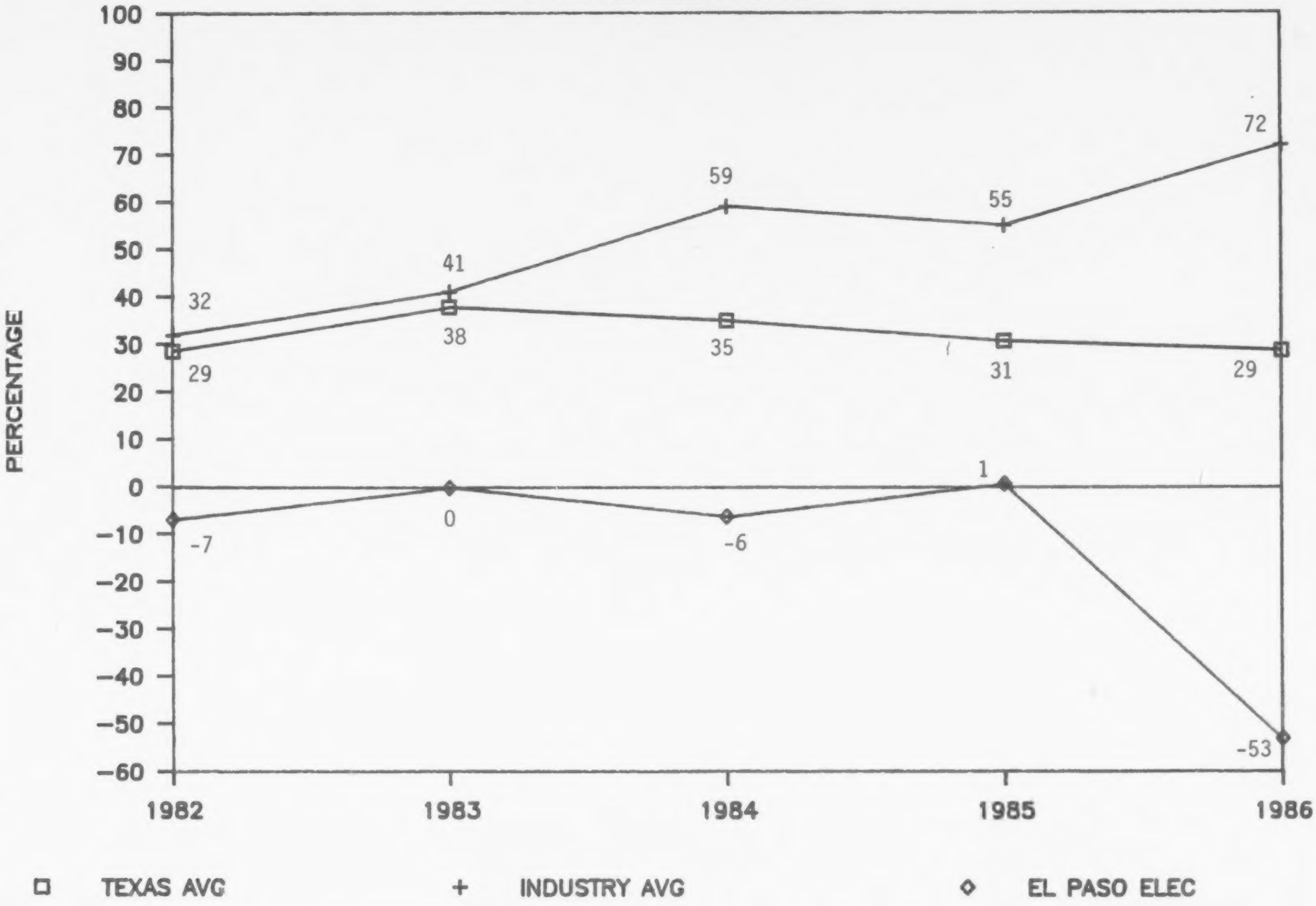
# CASH FLOW COVERAGE OF DIVIDENDS

## EL PASO ELECTRIC CO.



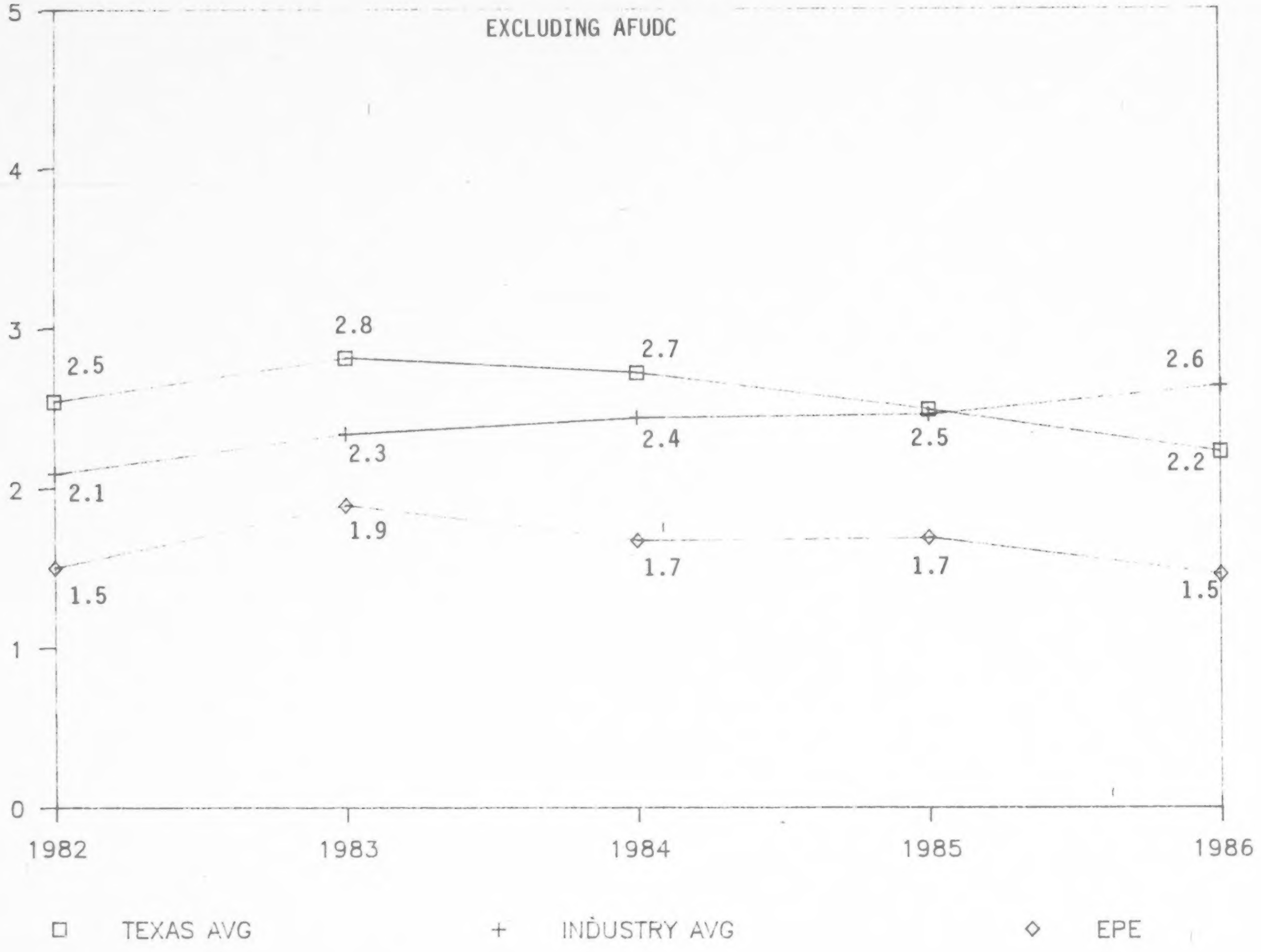
# FUNDS GENERATED INTERNALLY (%)

EL PASO ELECTRIC CO.



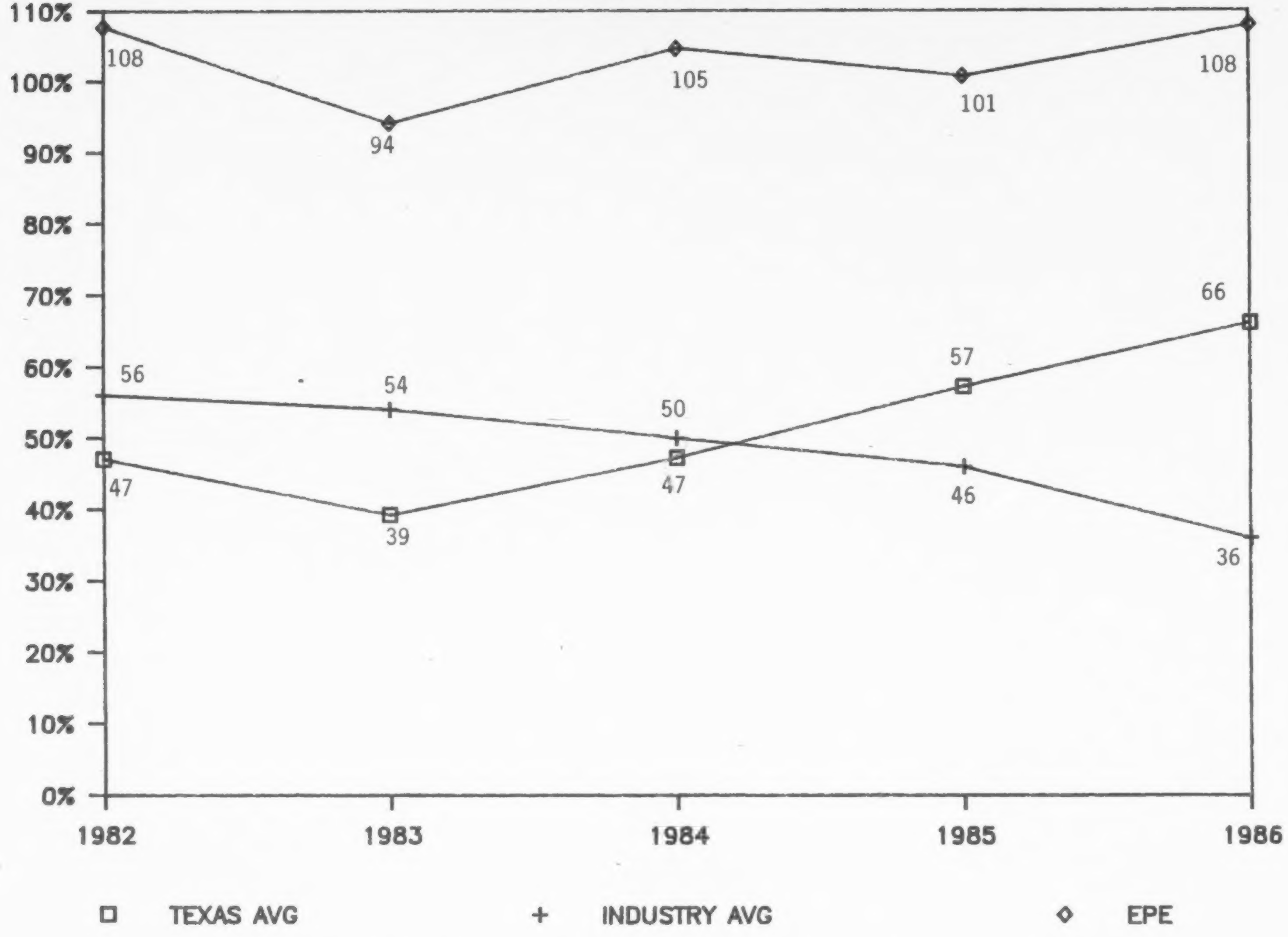
# PRE--TAX INTEREST COVERAGE

## EL PASO ELECTRIC CO.



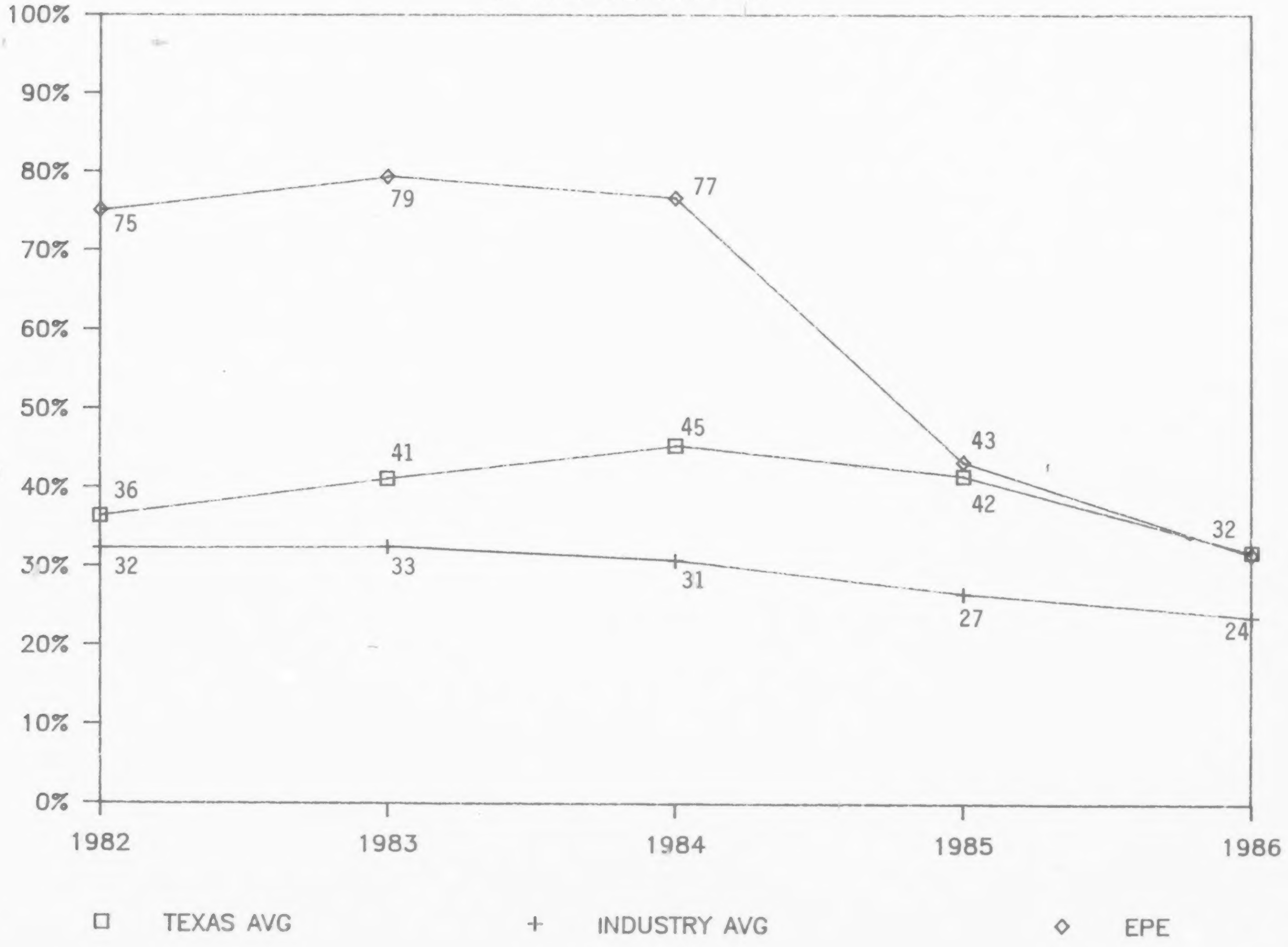
# RATIO OF AFUDC TO INCOME TO COMMON

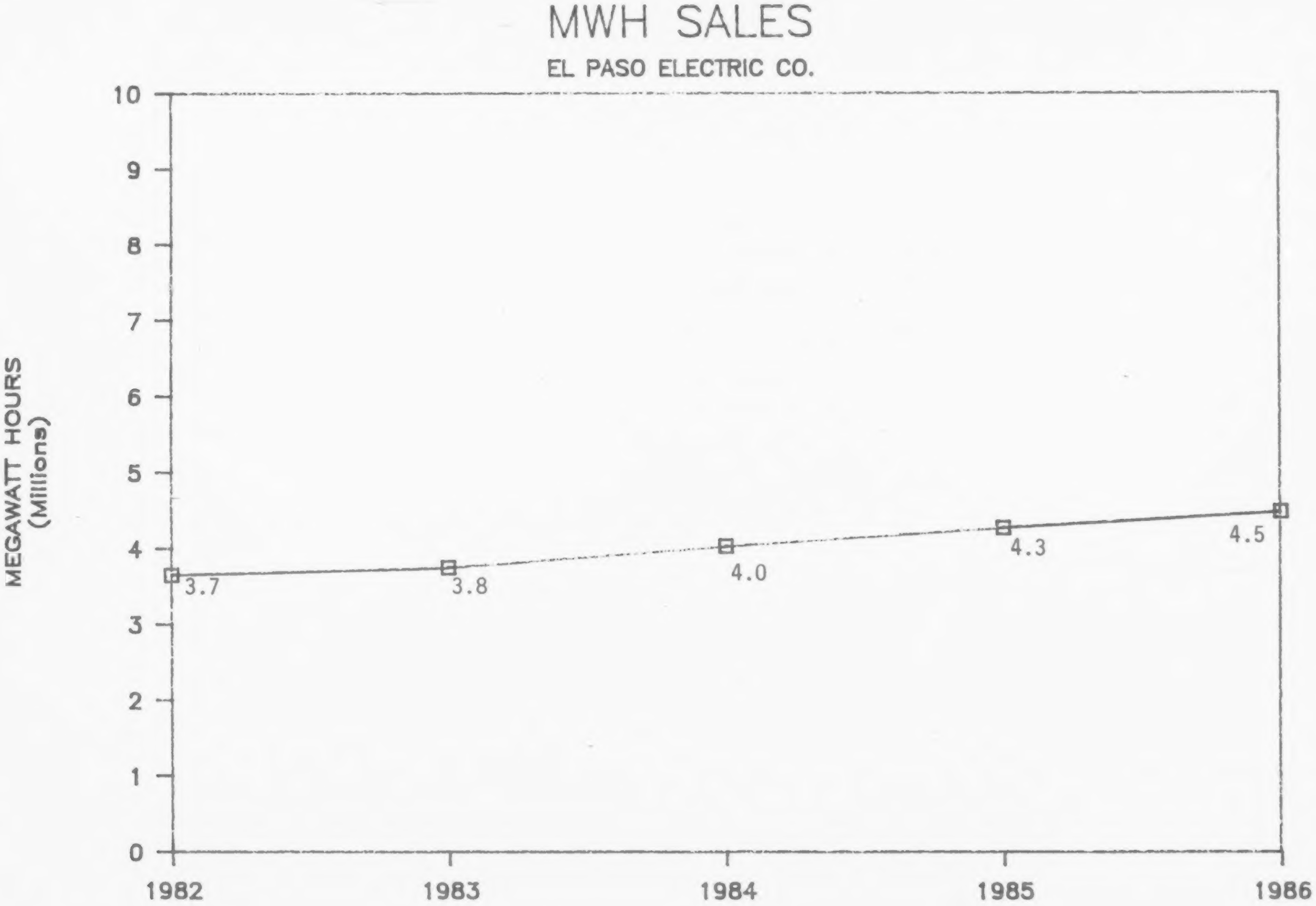
EL PASO ELECTRIC CO.



# CWIP AS A % OF NET PLANT

## EL PASO ELECTRIC CO.



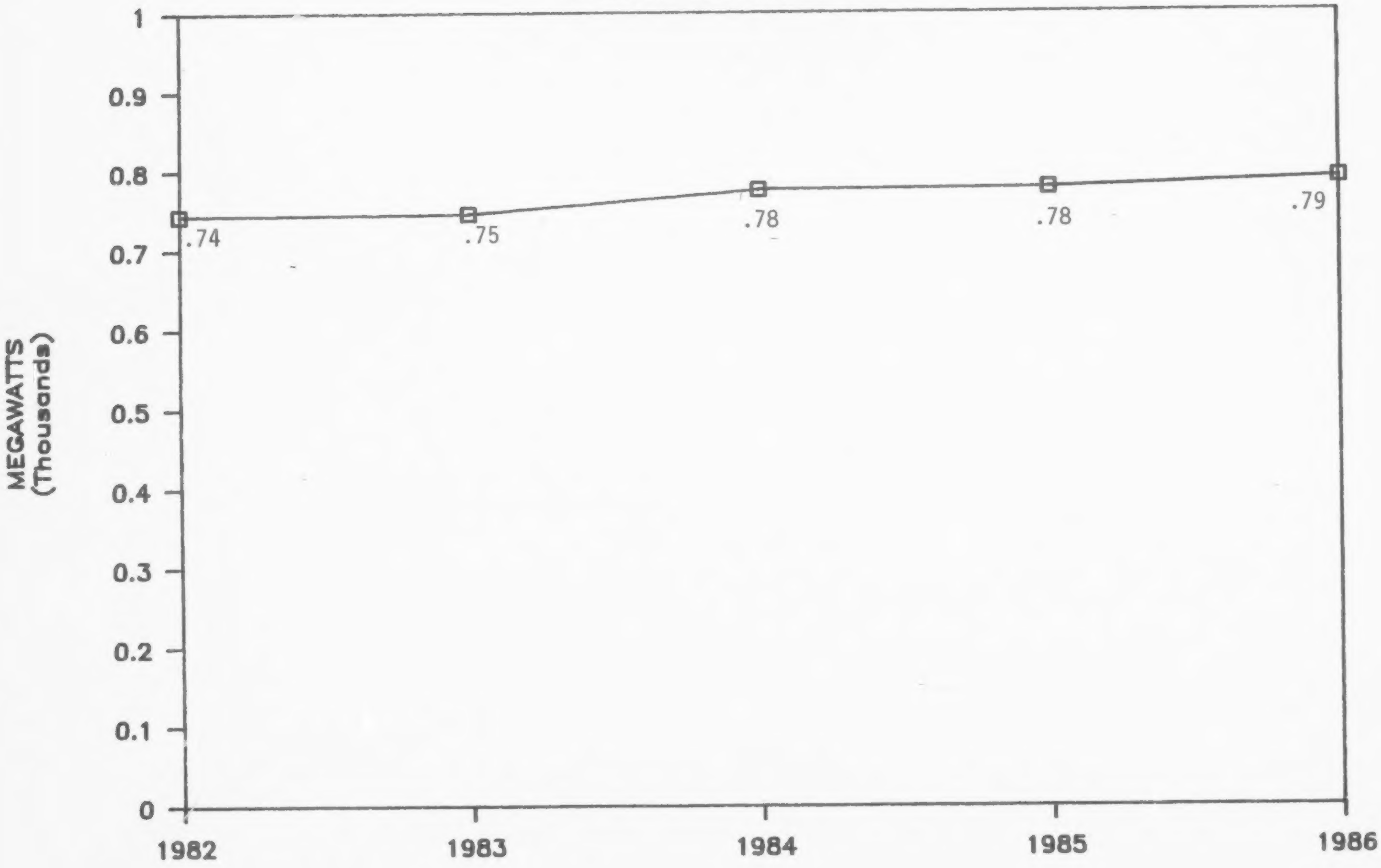


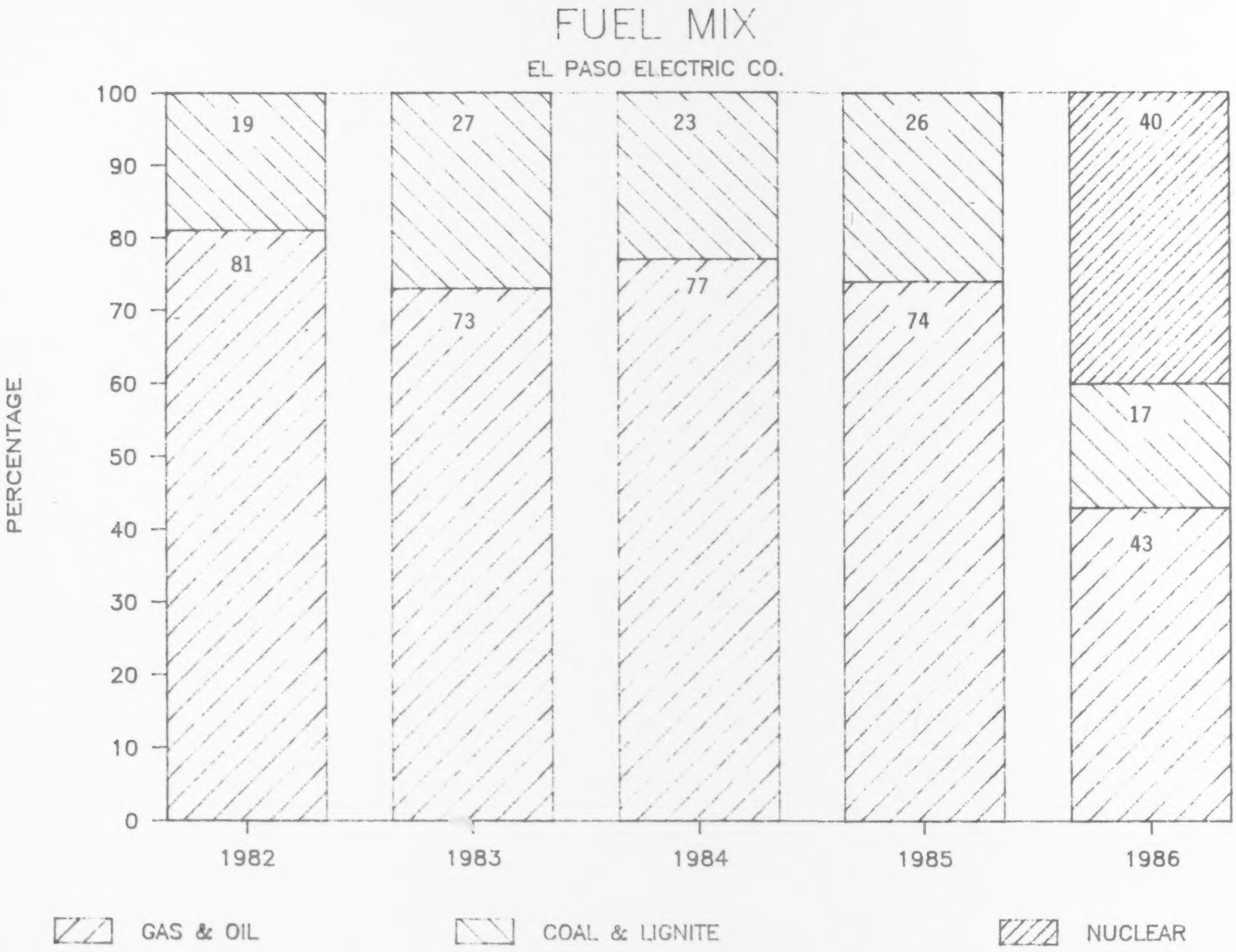
MWH SALES

EL PASO ELECTRIC CO.

# PEAK DEMAND

## EL PASO ELECTRIC CO.




FUEL MIX
EL PASO ELECTRIC CO.
PERCENTAGE
100
90
80
70
60
50
40
30
20
10
0
19
81
27
73
23
77
26
74
40
17
43
1982
1983
1984
1985
1986
GAS & OIL
COAL & LIGNITE
NUCLEAR

TEXAS PUC - COMPANY ANALYSIS REPORT
EL PASO ELECTRIC CO (EPE)
FOR THE FIVE YEARS ENDED 1986

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 4,491 | 4,278 | 4,036 | 3,752 | 3,651 | 5.0 | 6.0 | 7.6 | 2.8 | -1.3 | 4.0 | 1.6 |
| MW PEAK DEMAND | 790 | 778 | 776 | 746 | 744 | 1.5 | 0.3 | 4.0 | 0.3 | 1.1 | 1.4 | 2.7 |
| RESERVE MARGIN | 39.6 | 27.1 | 27.4 | 32.7 | 31.3 | | | | | | | |
| RES CENTS PER KWH | 9.3 | 10.0 | 10.1 | 9.7 | 8.8 | -7.5 | -0.9 | 4.0 | 10.4 | 7.8 | 2.6 | 2.9 |
| RES KWH PER CUST PER MO | 477 | 478 | 481 | 486 | 489 | -0.2 | -0.6 | -1.1 | -0.6 | 1.8 | -0.1 | 0.6 |
| CONSTR EXP(000 $) | 128,372 | 165,240 | 129,442 | 166,790 | 149,750 | -22.3 | 27.7 | -22.4 | 11.4 | 2.0 | -2.6 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 43.0 | 74.0 | 77.0 | 73.0 | 81.0 | | | | | | | |
| COAL/LIGNITE | 17.0 | 26.0 | 23.0 | 27.0 | 19.0 | | | | | | | |
| NUCLEAR | 40.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | |

## FINANCIAL DATA

| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 2.32 | 2.88 | 2.88 | 2.48 | 2.30 | -19.4 | 0.0 | 16.1 | 7.8 | 3.1 | 0.8 | -0.8 |
| DIVIDENDS PER SHARE($) | 1.52 | 1.49 | 1.43 | 1.37 | 1.31 | 2.0 | 4.2 | 4.4 | 4.6 | 4.8 | 4.0 | -0.8 |
| STOCK PRICE($) | 18.75 | 15.50 | 13.00 | 13.38 | 12.25 | 21.0 | 19.2 | -2.8 | 9.2 | 14.0 | 11.8 | 8.8 |
| BOOK VALUE PER SHARE($) | 16.99 | 16.19 | 14.82 | 13.47 | 12.32 | 4.9 | 9.2 | 10.0 | 9.3 | 6.8 | 8.0 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 14.0 | 18.5 | 20.3 | 19.1 | 18.9 | 18.2 | 15.6 |
| AFC TO EARN | 107.9 | 100.7 | 104.6 | 94.1 | 107.7 | 103.0 | 51.4 |
| YIELD | 8.9 | 10.5 | 10.8 | 10.7 | 11.4 | 10.5 | 9.1 |
| PAYOUT RATIO | 65.5 | 51.7 | 49.7 | 55.2 | 57.0 | 55.8 | 61.4 |
| MARKET TO BOOK | 110.4 | 95.7 | 87.7 | 99.3 | 99.4 | 98.5 | 106.4 |
| PE RATIO(X) | 7.4 | 4.9 | 4.6 | 5.2 | 5.0 | 5.4 | 6.8 |
| INTERNAL GEN | -53.1 | 0.5 | -6.4 | -0.2 | -6.9 | -13.2 | 32.1 |
| INT COV INCL AFC(X) | 2.5 | 3.0 | 3.0 | 3.2 | 2.8 | 2.9 | 3.3 |
| INT COV EXCL AFC(X) | 1.5 | 1.7 | 1.7 | 1.9 | 1.5 | 1.6 | 2.6 |
| CASH FLOW COV OF DIV | -0.3 | 1.0 | 0.8 | 1.0 | 0.7 | 0.7 | 2.0 |
| LONG TERM DEBT RATIO | 53.0 | 54.1 | 50.4 | 48.0 | 46.1 | 50.3 | 46.3 |
| COMMON EQUITY RATIO | 38.4 | 36.2 | 37.8 | 41.8 | 44.4 | 39.7 | 44.2 |
| PREFERRED STOCK RATIO | 8.6 | 9.6 | 11.8 | 10.2 | 9.5 | 10.0 | 9.5 |
| EFFECTIVE TAX RATE | 24.8 | 27.0 | 28.5 | 30.0 | 25.7 | 27.2 | 31.8 |
| BOND RATING | A3/BBB+ | A3/BBB+ | A3/BBB+ | A2/A | A2/A | | |
| PCT TPUC JURIS SALES | 70.3 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
EL PASO ELECTRIC CO (EPE)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 318,109 | 339,591 | 329,015 | 302,443 | 271,048 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -6.3 | 3.2 | 8.8 | 11.6 | 8.0 | 4.9 | 4.8 | | | | | | | |
| FUEL & PP | 100,353 | 131,367 | 128,535 | 115,562 | 126,680 | | | 31.5 | 38.7 | 39.1 | 38.2 | 46.7 | 38.8 | 51.2 |
| | -23.6 | 2.2 | 11.2 | -8.8 | 14.4 | -1.9 | 1.5 | | | | | | | |
| O & M | 61,673 | 53,726 | 50,025 | 54,202 | 44,034 | | | 19.4 | 15.8 | 15.2 | 17.9 | 16.2 | 16.9 | 16.1 |
| | 14.8 | 7.4 | -7.7 | 23.1 | 12.3 | 9.5 | 9.7 | | | | | | | |
| DEPR | 19,186 | 14,755 | 12,445 | 11,740 | 10,906 | | | 6.0 | 4.3 | 3.8 | 3.9 | 4.0 | 4.4 | 5.4 |
| | 30.0 | 18.6 | 6.0 | 7.6 | 3.8 | 12.8 | 10.0 | | | | | | | |
| CURR FIT | 57,379 | 1,503 | 10,818 | 11,251 | 3,456 | | | 18.0 | 0.4 | 3.3 | 3.7 | 1.3 | 5.4 | 2.2 |
| DEF TAX | -100,304 | 38,449 | 28,279 | 12,313 | 19,410 | | | -31.5 | 11.3 | 8.6 | 4.1 | 7.2 | -0.1 | 2.8 |
| ITC | 72,692 | -716 | 2,606 | 14,445 | 1,066 | | | 22.9 | -0.2 | 0.8 | 4.8 | 0.4 | 5.7 | 1.5 |
| FIT | 29,767 | 39,236 | 41,703 | 38,009 | 23,932 | | | 9.4 | 11.6 | 12.7 | 12.6 | 8.8 | 11.0 | 6.4 |
| | -24.1 | -5.9 | 9.7 | 58.8 | -18.0 | 0.4 | 5.1 | | | | | | | |
| OTH TAX | 19,755 | 17,211 | 17,364 | 16,724 | 14,880 | | | 6.2 | 5.1 | 5.3 | 5.5 | 5.5 | 5.5 | 4.6 |
| | 14.8 | -0.9 | 3.8 | 12.4 | 34.4 | 12.3 | 9.7 | | | | | | | |
| OPER INC | 87,375 | 83,296 | 78,943 | 66,206 | 50,616 | | | 27.5 | 24.5 | 24.0 | 21.9 | 18.7 | 23.3 | 16.1 |
| | 4.9 | 5.5 | 19.2 | 30.8 | 0.7 | 11.7 | 6.3 | | | | | | | |
| AFC | 87,854 | 99,040 | 99,364 | 74,095 | 68,702 | | | 27.6 | 29.2 | 30.2 | 24.5 | 25.3 | 27.4 | 6.4 |
| | -11.3 | -0.3 | 34.1 | 7.8 | 52.0 | 14.2 | 26.7 | | | | | | | |
| OTH INC | 3,093 | 8,204 | 5,585 | 4,354 | 3,861 | | | 1.0 | 2.4 | 1.7 | 1.4 | 1.4 | 1.6 | 0.1 |
| INTEREST | 82,708 | 77,469 | 75,606 | 57,394 | 52,291 | | | 26.0 | 22.8 | 23.0 | 19.0 | 19.3 | 22.0 | 8.9 |
| | 6.8 | 2.5 | 31.7 | 9.8 | 30.3 | 15.6 | 12.6 | | | | | | | |
| NET INCOME | 95,614 | 113,071 | 108,286 | 87,261 | 70,888 | | | 30.1 | 33.3 | 32.9 | 28.9 | 26.2 | 30.3 | 13.7 |
| | -15.4 | 4.4 | 24.1 | 23.1 | 25.0 | 11.0 | 12.1 | | | | | | | |
| PREF DIV | 14,185 | 14,754 | 13,315 | 8,501 | 7,075 | | | 4.5 | 4.3 | 4.0 | 2.8 | 2.6 | 3.7 | 1.5 |
| | -3.9 | 10.8 | 56.6 | 20.2 | -0.6 | 14.8 | 10.9 | | | | | | | |
| INC TO COM | 81,429 | 98,317 | 94,971 | 78,760 | 63,813 | | | 25.6 | 29.0 | 28.9 | 26.0 | 23.5 | 26.6 | 12.1 |
| | -17.2 | 3.5 | 20.6 | 23.4 | 28.7 | 10.4 | 12.3 | | | | | | | |
| COMMON DIV | 53,327 | 50,867 | 47,183 | 43,516 | 36,890 | | | 16.8 | 15.0 | 14.3 | 14.4 | 13.6 | 14.8 | 7.8 |
| | 4.8 | 7.8 | 8.4 | 18.0 | 29.7 | 13.4 | 13.6 | | | | | | | |
| INC TO RE | 28,102 | 47,450 | 47,788 | 35,244 | 26,923 | | | 8.8 | 14.0 | 14.5 | 11.7 | 9.9 | 11.8 | 4.3 |

TEXAS PUC - COMPANY ANALYSIS REPORT
EL PASO ELECTRIC CO (EPE)
FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

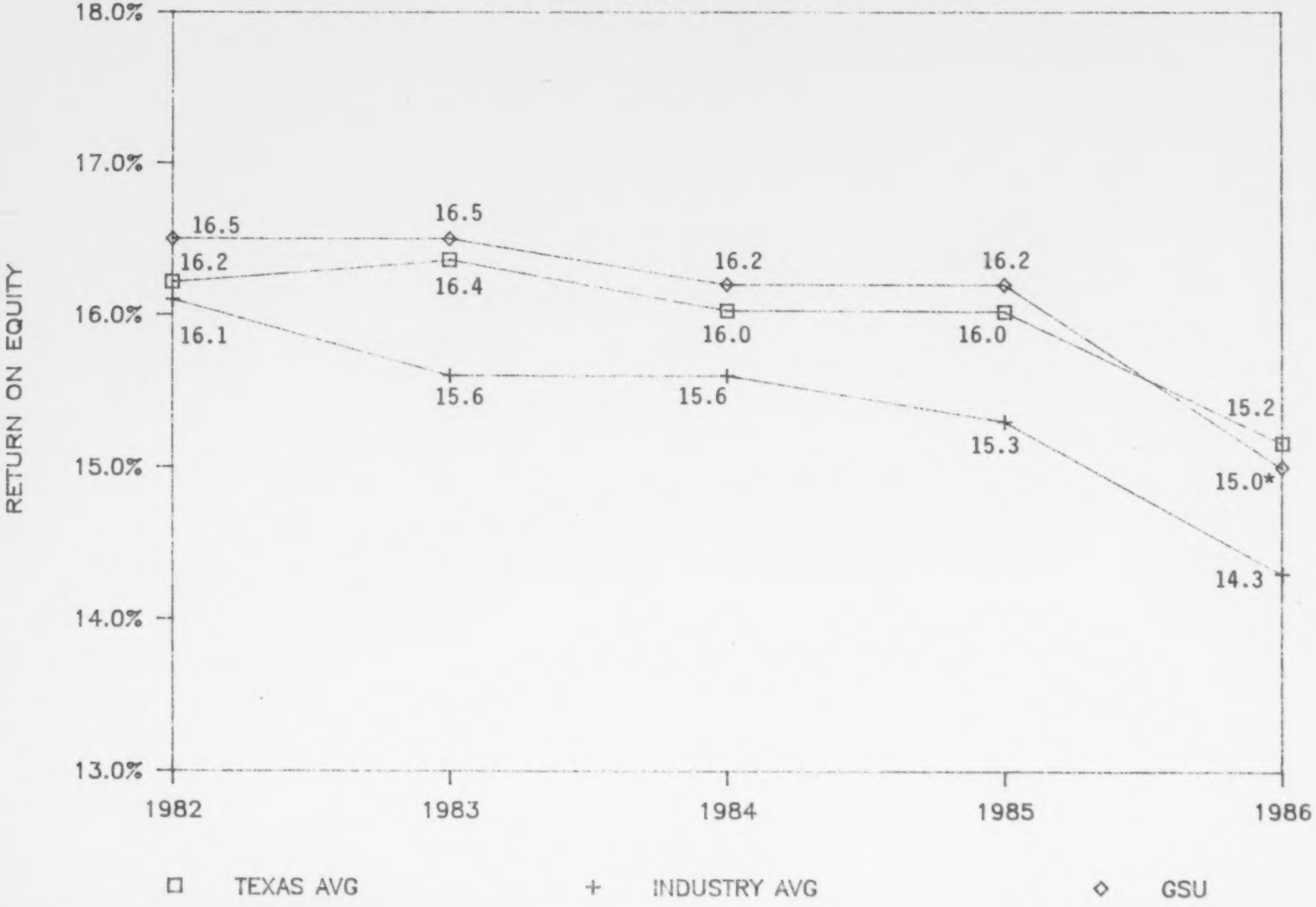
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 1,098,372 | 1,090,050 | 458,813 | 367,847 | 354,036 | | | 50.1 | 56.8 | 27.1 | 26.4 | 31.3 | 38.3 | 74.5 |
| CWIP & OTH | 439,215 | 733,321 | 1,089,959 | 977,468 | 755,478 | | | 20.0 | 38.2 | 64.5 | 70.2 | 66.7 | 51.9 | 35.8 |
| TOTAL PLANT | 1,537,587 | 1,823,371 | 1,548,772 | 1,345,315 | 1,109,514 | | | 70.1 | 95.0 | 91.6 | 96.6 | 98.0 | 90.2 | 110.3 |
| ACCUM DEPR | 149,728 | 129,667 | 127,181 | 114,887 | 102,985 | | | 6.8 | 6.8 | 7.5 | 8.2 | 9.1 | 7.7 | 19.1 |
| NET PLANT | 1,387,859 | 1,693,704 | 1,421,591 | 1,230,428 | 1,006,529 | | | 63.2 | 88.3 | 84.1 | 88.3 | 88.9 | 82.6 | 91.2 |
| | -18.1 | 19.1 | 15.5 | 22.2 | 24.9 | 11.5 | 11.3 | | | | | | | |
| CASH & INV | 513,674 | 30,229 | 106,214 | 42,903 | 9,482 | | | 23.4 | 1.6 | 6.3 | 3.1 | 0.8 | 7.0 | 1.5 |
| ACCTS REC | 32,505 | 36,840 | 32,668 | 31,737 | 25,051 | | | 1.5 | 1.9 | 1.9 | 2.3 | 2.2 | 2.0 | 2.7 |
| INVENTORY | 14,160 | 14,485 | 14,574 | 14,156 | 17,313 | | | 0.6 | 0.8 | 0.9 | 1.0 | 1.5 | 1.0 | 1.8 |
| OTH CURRENT | 20,038 | 11,521 | 11,712 | 9,635 | 7,301 | | | 0.9 | 0.6 | 0.7 | 0.7 | 0.6 | 0.7 | 0.4 |
| TOTAL CURR | 580,377 | 93,075 | 165,168 | 98,431 | 59,147 | | | 26.4 | 4.9 | 9.8 | 7.1 | 5.2 | 10.7 | 6.4 |
| | 523.6 | -43.6 | 67.8 | 66.4 | -6.8 | 55.7 | 13.6 | | | | | | | |
| OTH ASSETS | 226,182 | 132,281 | 103,350 | 64,424 | 66,950 | | | 10.3 | 6.9 | 6.1 | 4.6 | 5.9 | 6.8 | 2.4 |
| TOTAL ASSETS | 2,194,418 | 1,919,060 | 1,690,109 | 1,393,283 | 1,132,626 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 14.3 | 13.5 | 21.3 | 23.0 | 27.3 | 19.8 | 12.0 | | | | | | | |
| COMMON EQ | 603,291 | 562,550 | 499,467 | 437,894 | 385,417 | | | 27.5 | 29.3 | 29.6 | 31.4 | 34.0 | 30.4 | 34.5 |
| | 7.2 | 12.6 | 14.1 | 13.6 | 33.0 | 15.8 | 12.7 | | | | | | | |
| PREF STOCK | 134,583 | 149,523 | 156,273 | 107,273 | 82,673 | | | 6.1 | 7.8 | 9.2 | 7.7 | 7.3 | 7.6 | 7.4 |
| | -10.0 | -4.3 | 45.7 | 29.8 | -0.5 | 10.1 | 9.8 | | | | | | | |
| LT DEBT | 831,921 | 840,578 | 666,177 | 503,163 | 400,149 | | | 37.9 | 43.8 | 39.4 | 36.1 | 35.3 | 38.5 | 36.1 |
| | -1.0 | 26.2 | 32.4 | 25.7 | 58.5 | 26.9 | 11.7 | | | | | | | |
| TOTAL CAP | 1,569,795 | 1,552,651 | 1,321,917 | 1,048,330 | 868,239 | | | 71.5 | 80.9 | 78.2 | 75.2 | 76.7 | 76.5 | 78.0 |
| | 1.1 | 17.5 | 26.1 | 20.7 | 38.9 | 20.2 | 11.9 | | | | | | | |
| ST DEBT | 151,368 | 69,433 | 116,277 | 153,864 | 114,427 | | | 6.9 | 3.6 | 6.9 | 11.0 | 10.1 | 7.7 | 1.6 |
| OTH CURRENT | 115,893 | 68,470 | 61,261 | 44,761 | 36,734 | | | 5.3 | 3.6 | 3.6 | 3.2 | 3.2 | 3.8 | 6.8 |
| TOTAL CURR | 267,261 | 137,903 | 177,538 | 198,625 | 151,161 | | | 12.2 | 7.2 | 10.5 | 14.3 | 13.3 | 11.5 | 8.4 |
| | 93.8 | -22.3 | -10.6 | 31.4 | -9.9 | 9.8 | 6.3 | | | | | | | |
| ACC DEF TAX | 72,755 | 174,068 | 131,418 | 84,268 | 65,848 | | | 3.3 | 9.1 | 7.8 | 6.0 | 5.8 | 6.4 | 7.7 |
| | -58.2 | 32.5 | 56.0 | 28.0 | 41.4 | 9.3 | 18.6 | | | | | | | |
| ACC ITC | 122,185 | 50,771 | 55,318 | 57,985 | 43,545 | | | 5.6 | 2.6 | 3.3 | 4.2 | 3.8 | 3.9 | 5.4 |
| | 140.7 | -8.2 | -4.6 | 33.2 | 2.5 | 23.5 | 11.3 | | | | | | | |
| OTH LIAB | 162,422 | 3,667 | 3,918 | 4,075 | 3,833 | | | 7.4 | 0.2 | 0.2 | 0.3 | 0.3 | 1.7 | 0.5 |
| LIAB AND EQ | 2,194,418 | 1,919,060 | 1,690,109 | 1,393,283 | 1,132,626 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section IV - Gulf States Utilities Company

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1981-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Megawatt Peak Demand 1982-1986
11. Fuel Mix 1982-1986
12. Operating Data 1982-1986
13. Income Statement Analysis 1982-1986
14. Balance Sheet Analysis 1982-1986

# ALLOWED RETURN ON EQUITY

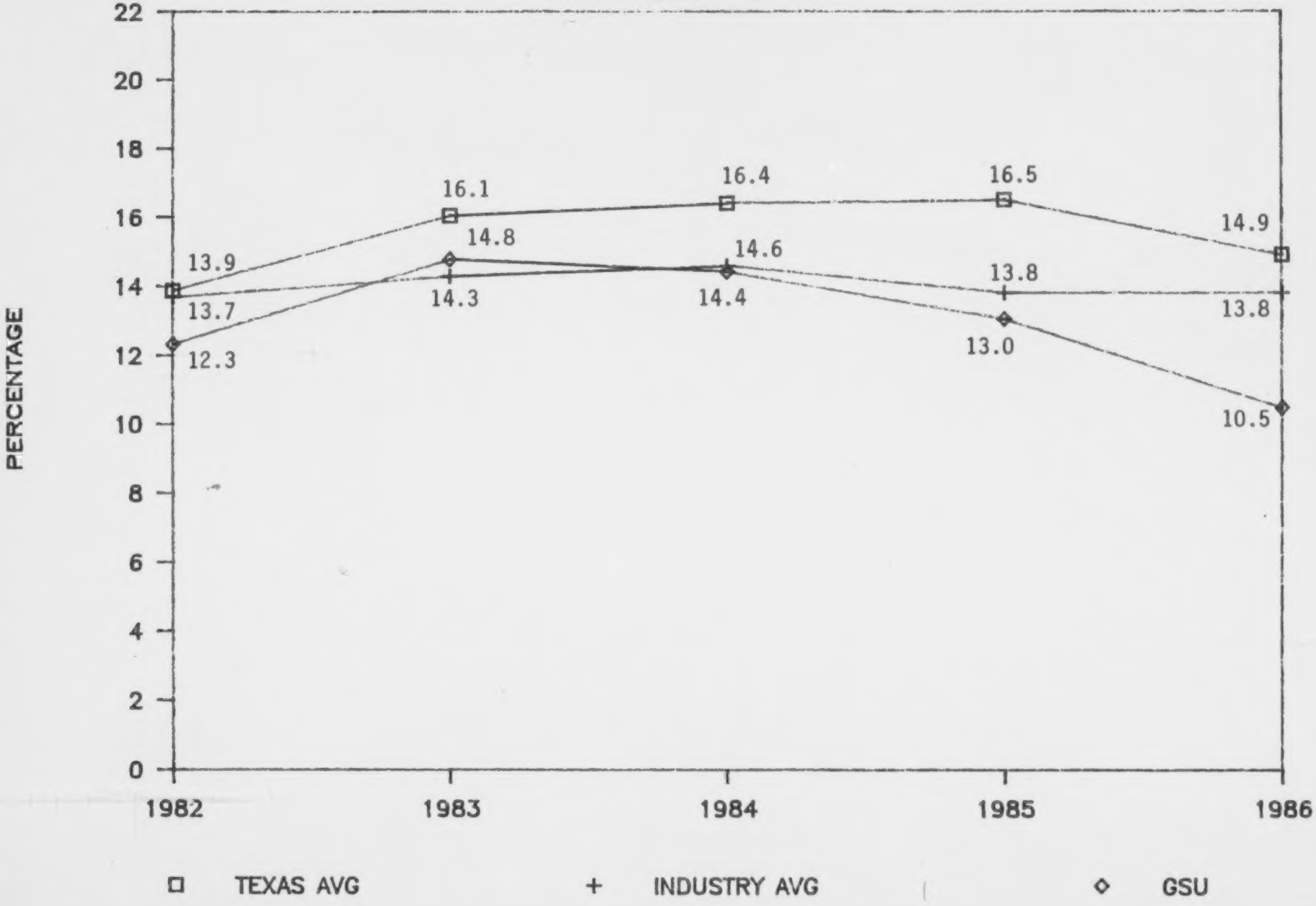
## GULF STATES UTILITIES



*Staff Recommendation
Final Order Did Not State ROE

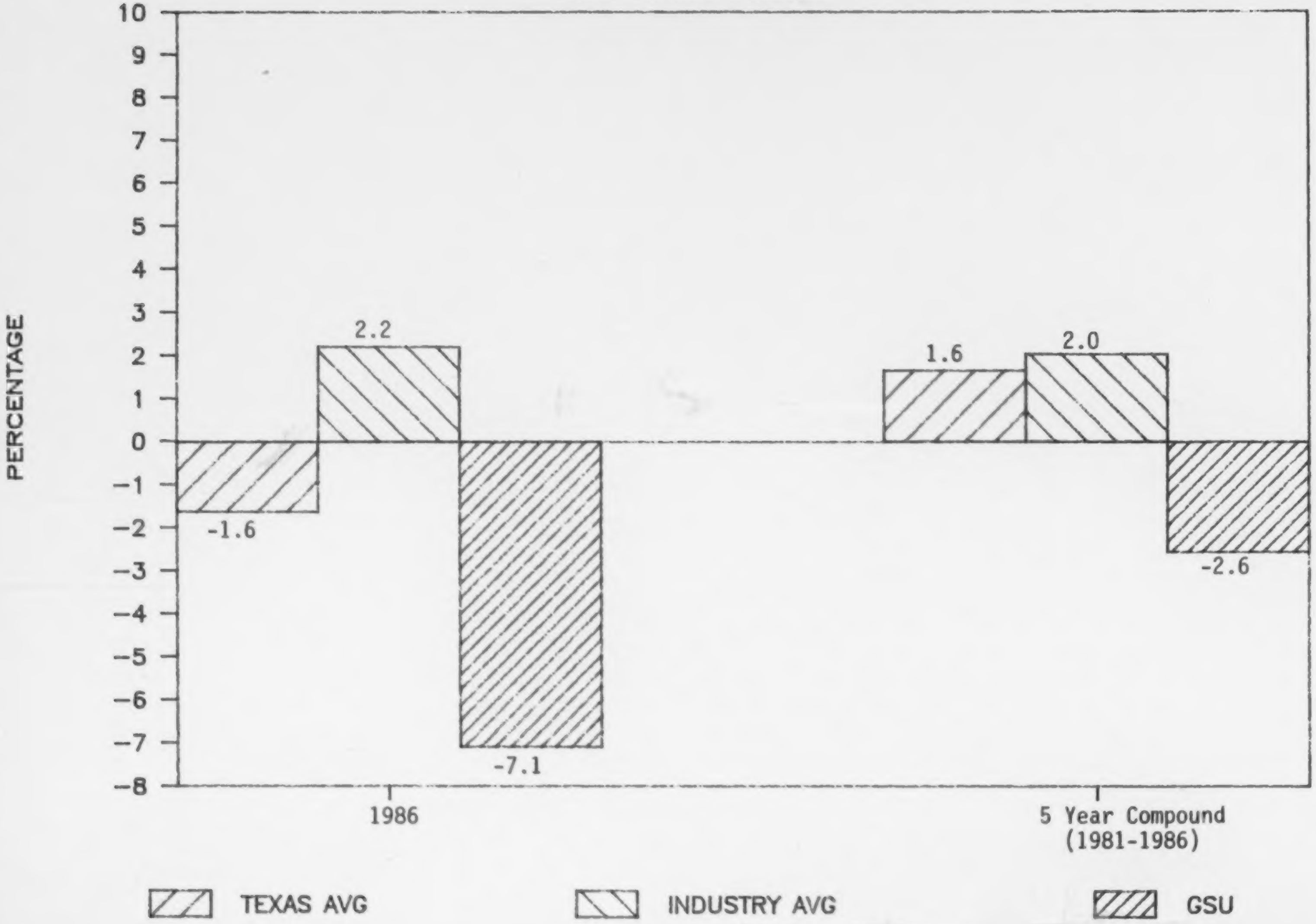
# EARNED RETURN ON EQUITY

## GULF STATES UTILITIES



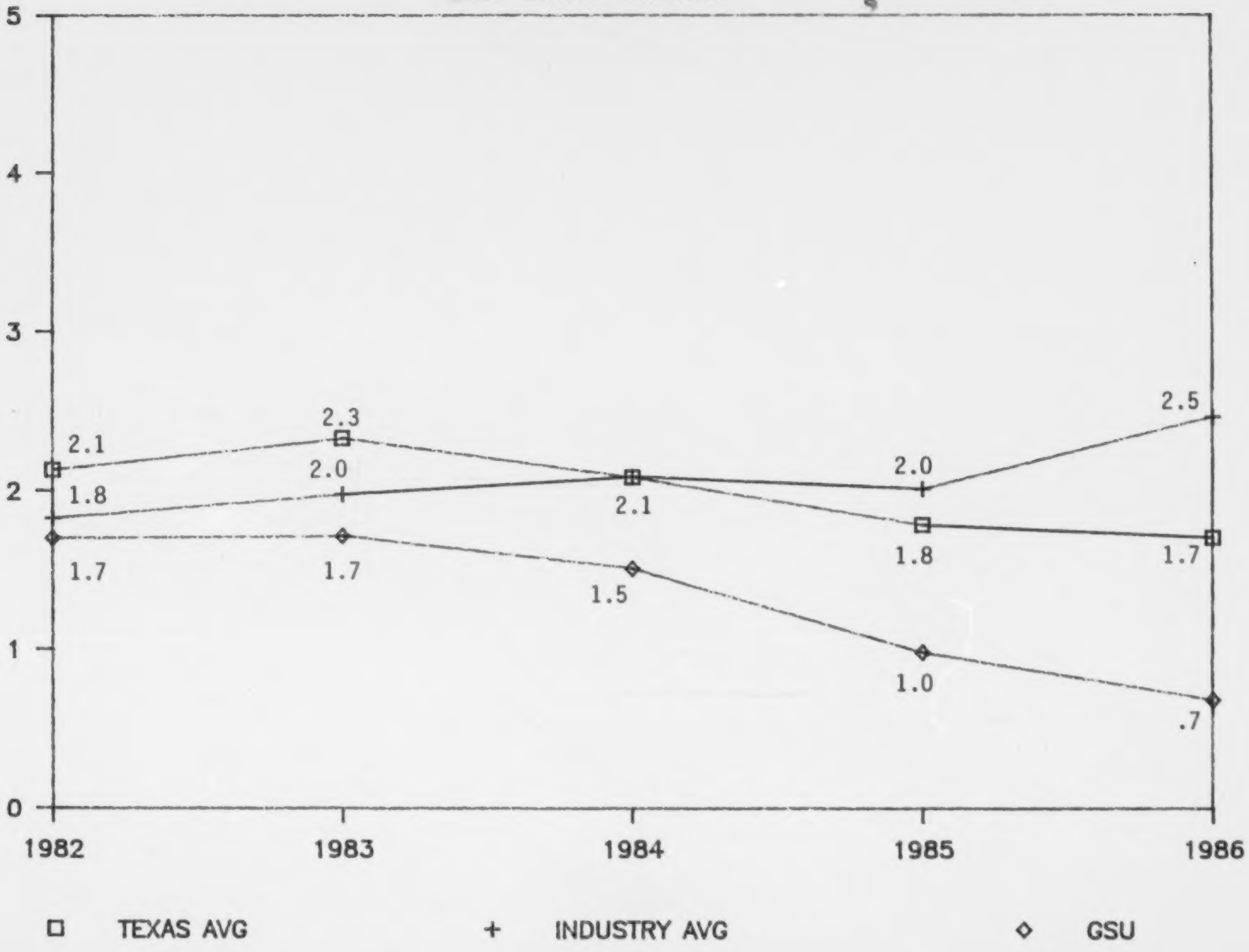
# MWH SALES GROWTH

## GULF STATES UTILITIES



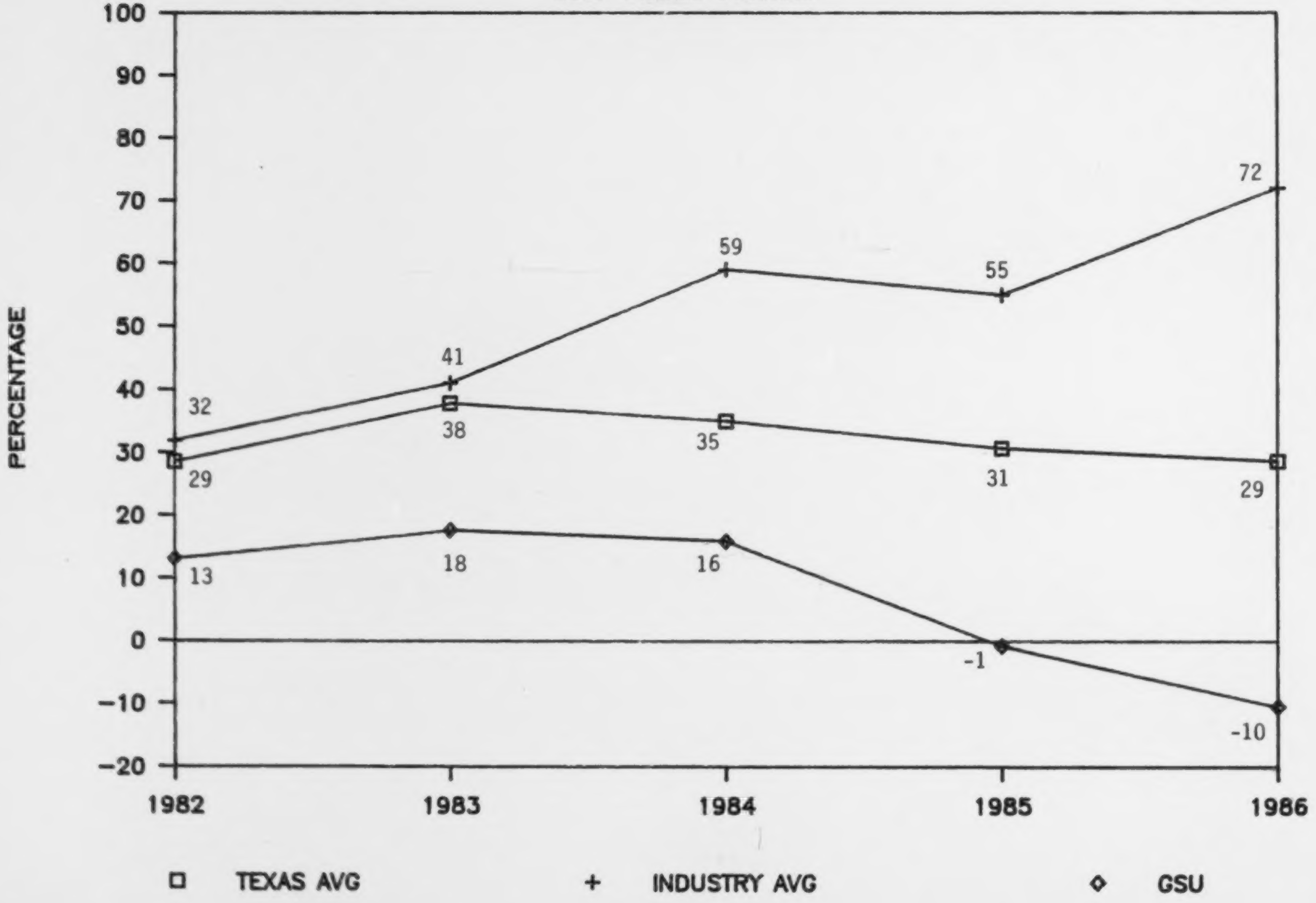
# CASH FLOW COVERAGE OF DIVIDENDS

## GULF STATES UTILITIES



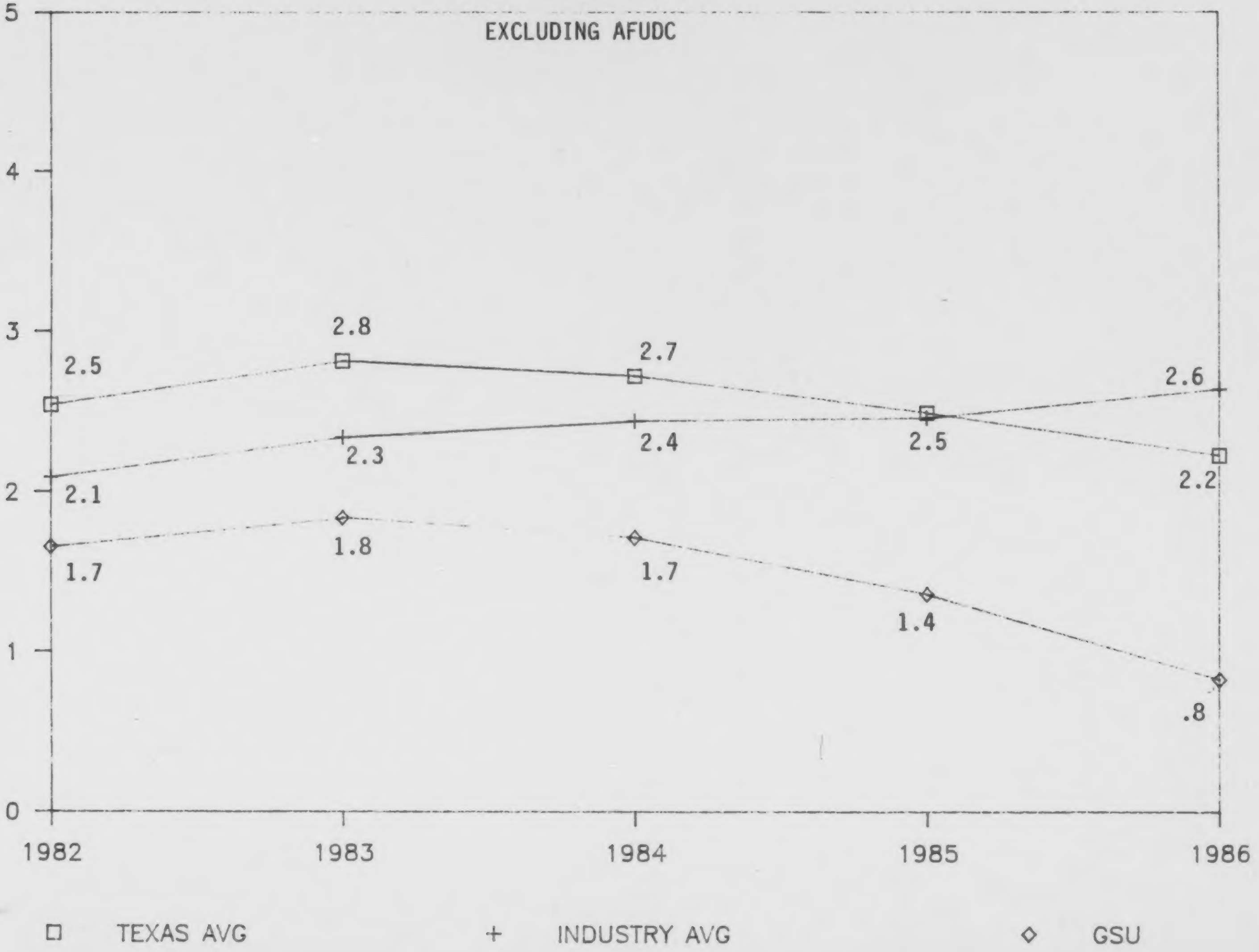
# FUNDS GENERATED INTERNALLY (%)

## GULF STATES UTILITIES



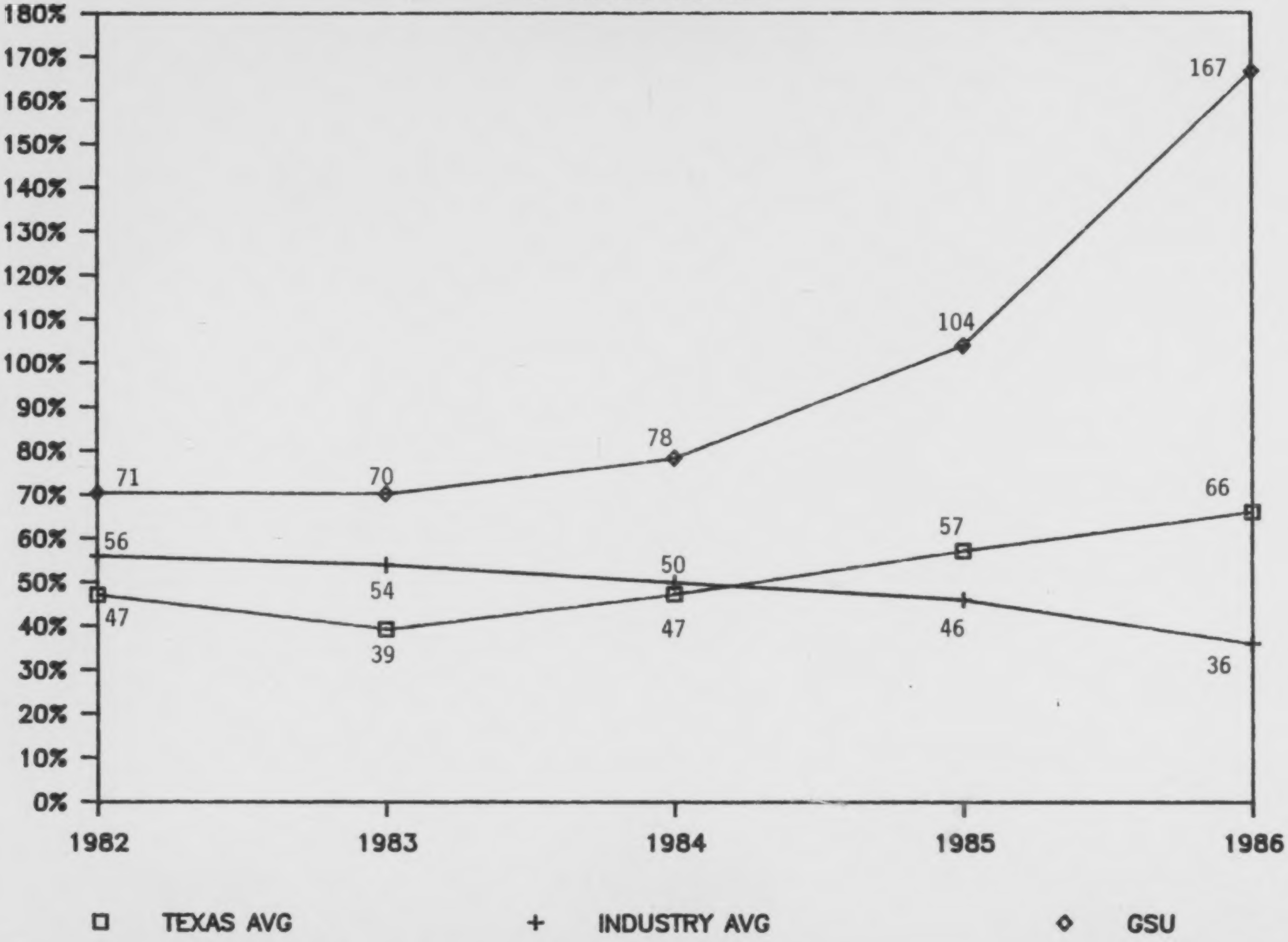
# PRE–TAX INTEREST COVERAGE

GULF STATES UTILITIES



# RATIO OF AFUDC TO INCOME TO COMMON

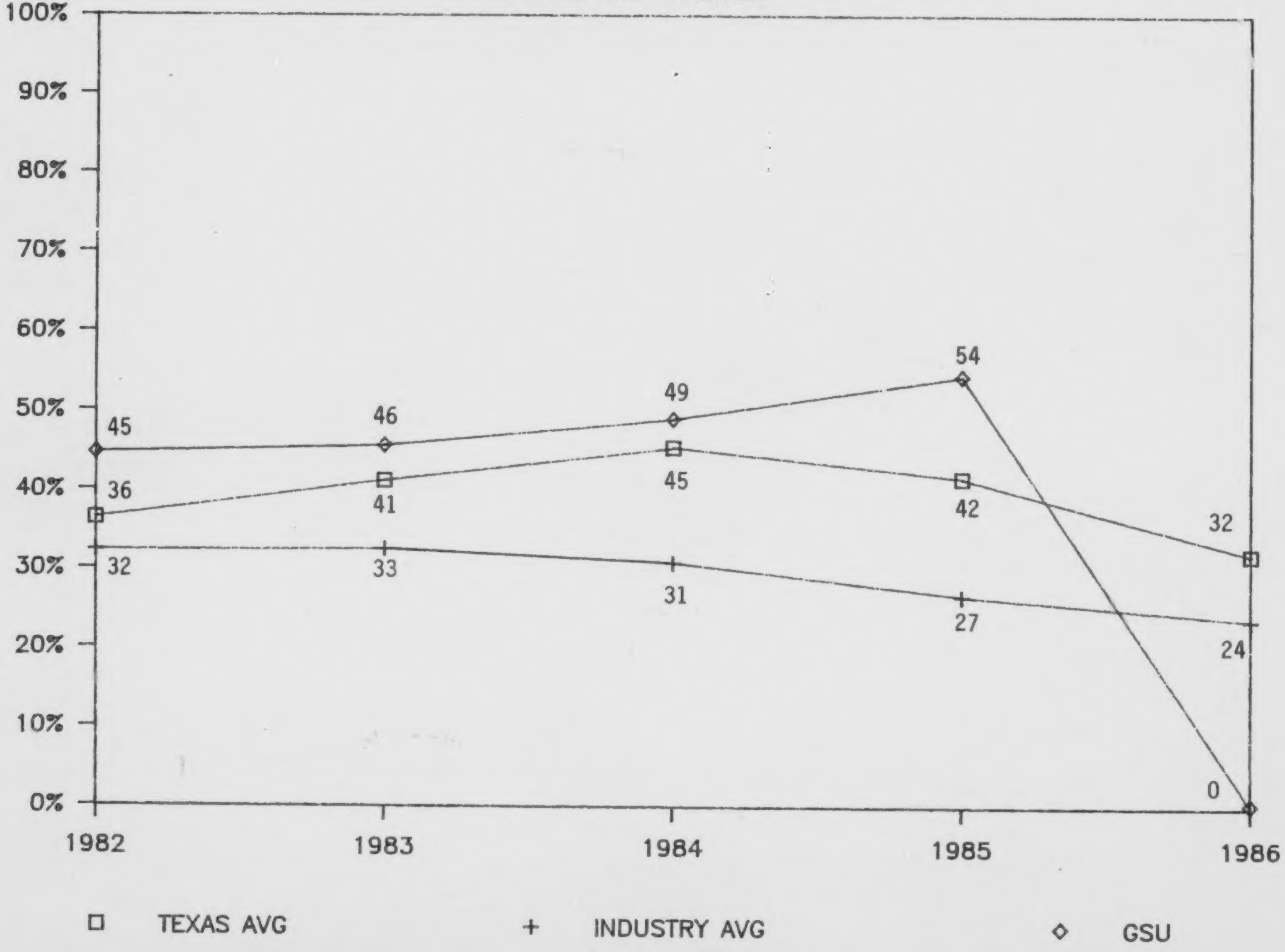
## GULF STATES UTILITIES

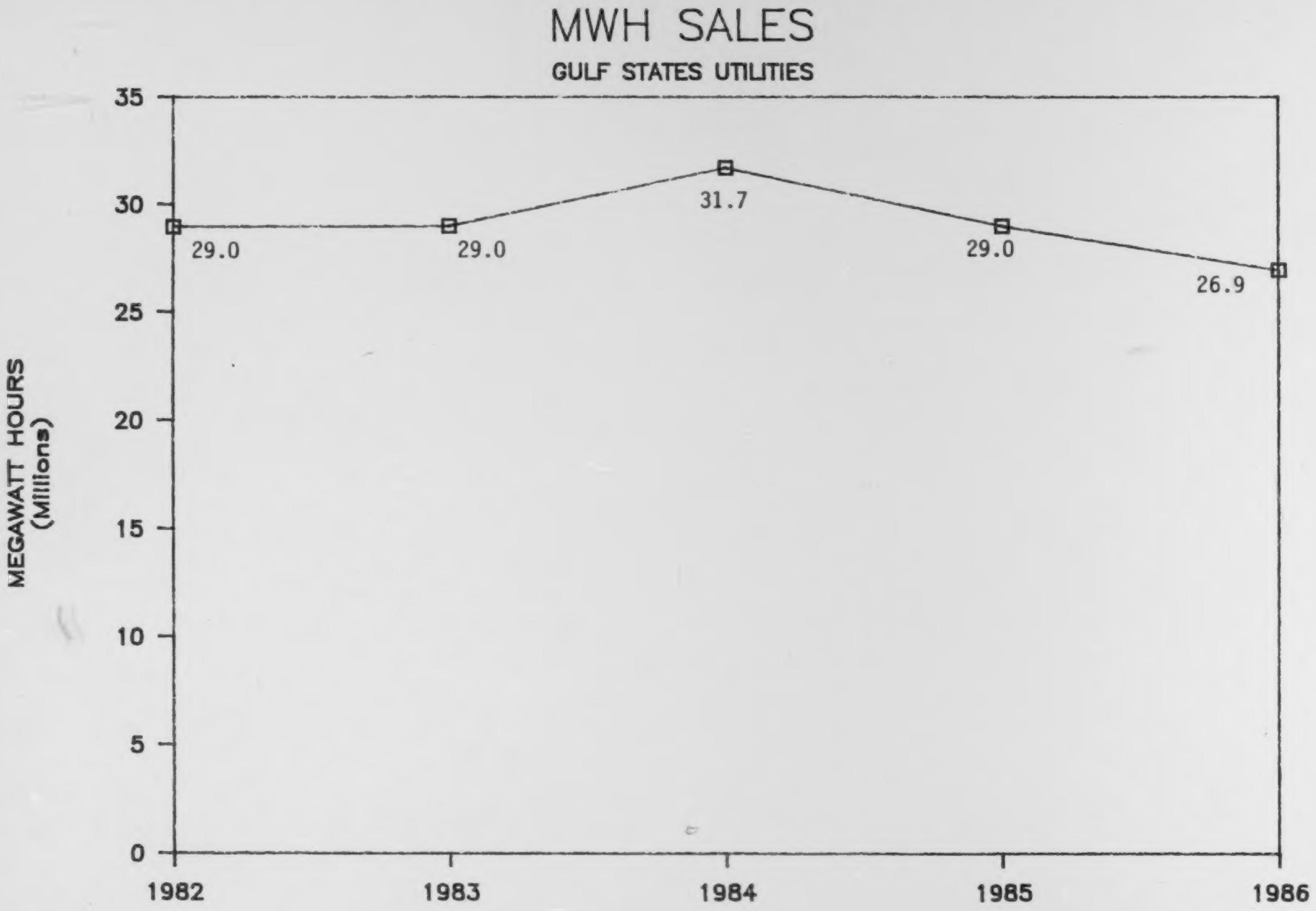


NOTE: GSU Ratio includes deferred River Bend expenses

# CWIP AS A % OF NET PLANT

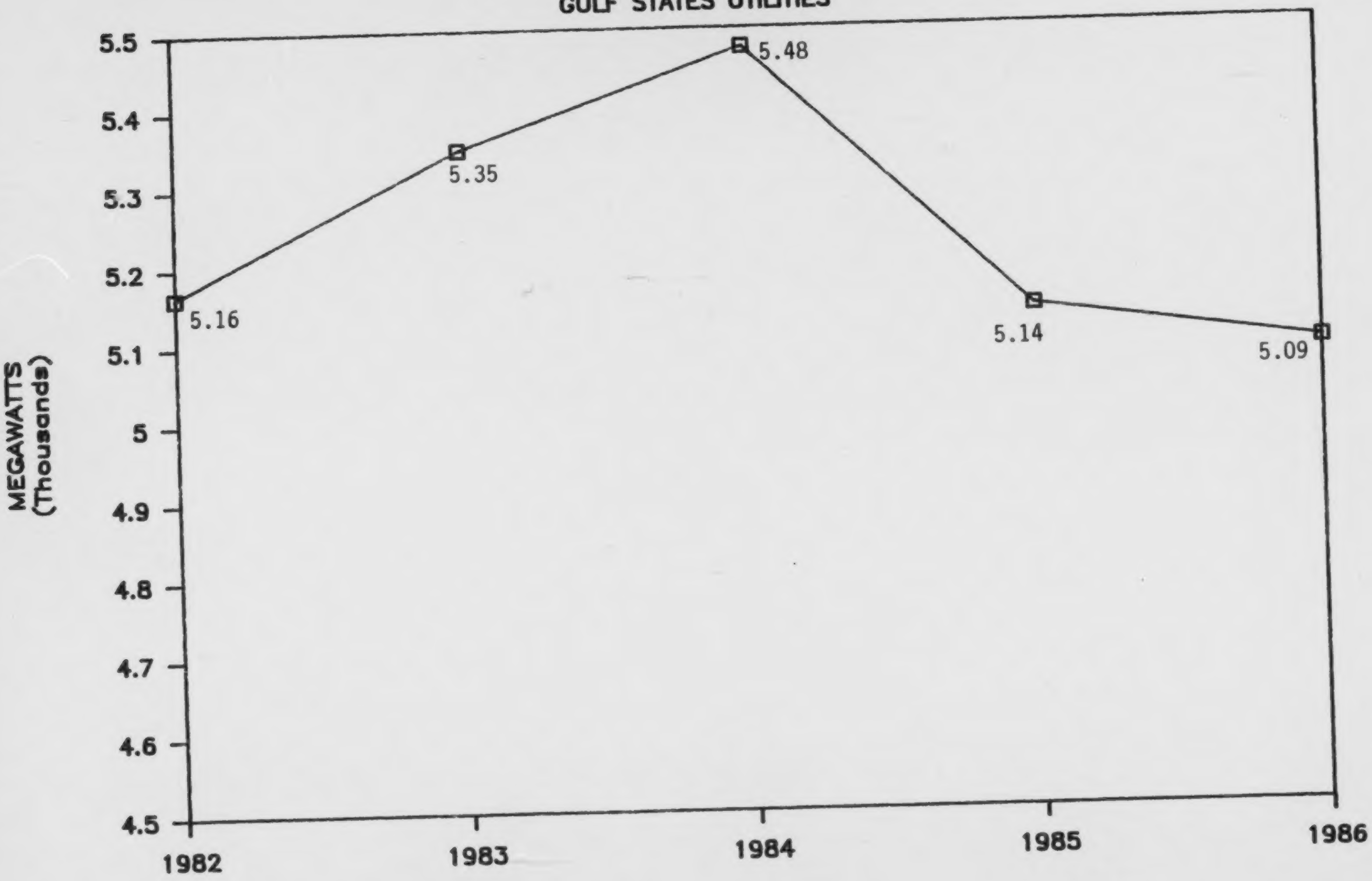
## GULF STATES UTILITIES




MWH SALES
GULF STATES UTILITIES
MEGAWATT HOURS (Millions)
35
30
25
20
15
10
5
0
1982
1983
1984
1985
1986
29.0
29.0
31.7
29.0
26.9

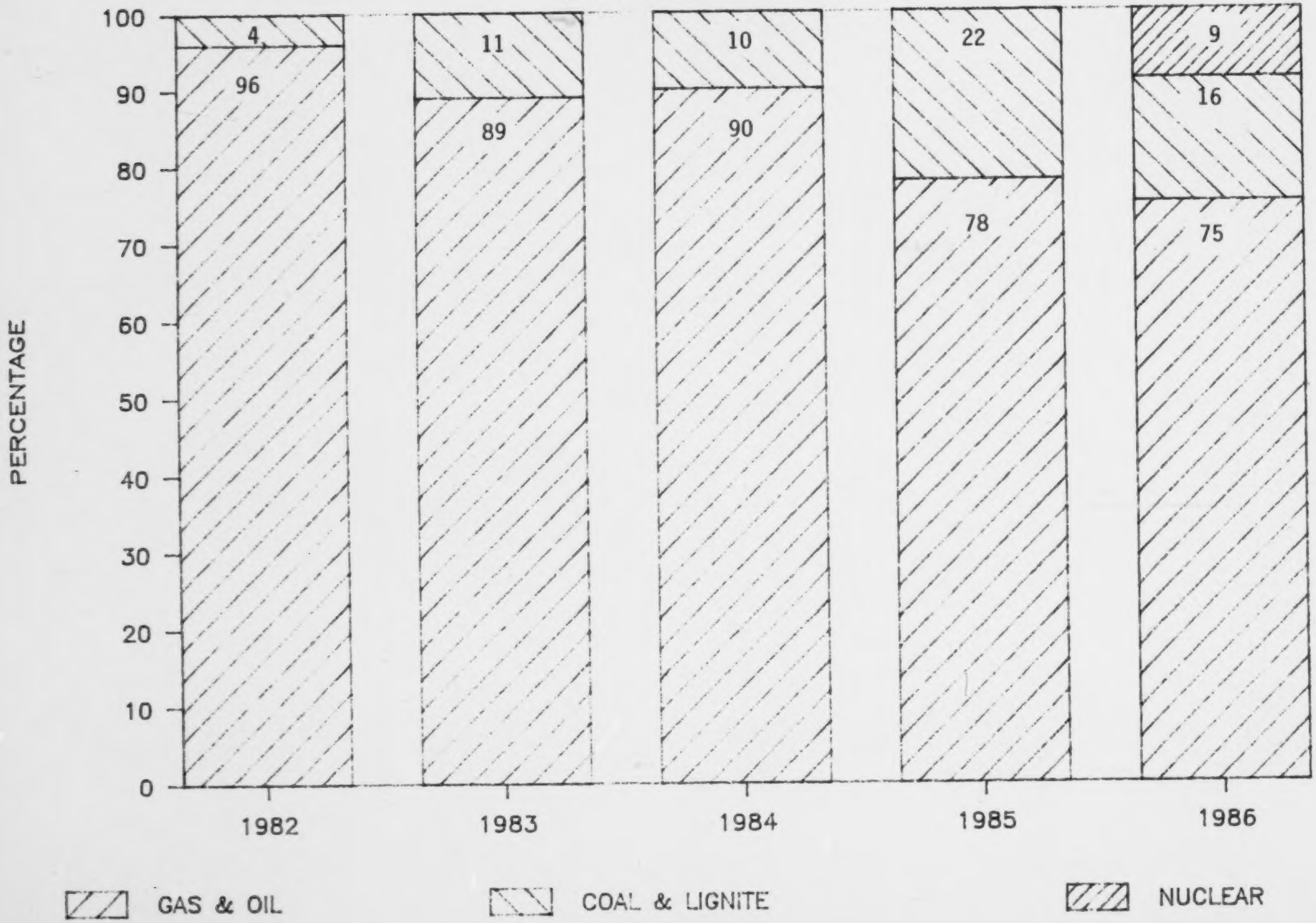
# PEAK DEMAND

GULF STATES UTILITIES



# FUEL MIX

GULF STATES UTILITIES



# TEXAS PUC - COMPANY ANALYSIS REPORT
# GULF STATES UTILITIES CO (GSU)
## FOR THE FIVE YEARS ENDED 1986

### OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 26,949 | 29,005 | 31,694 | 29,005 | 28,969 | -7.1 | -8.5 | 9.3 | 0.1 | -5.6 | -2.6 | 1.6 |
| MW PEAK DEMAND | 5,089 | 5,139 | 5,475 | 5,348 | 5,164 | -1.0 | -6.1 | 2.4 | 3.6 | -6.8 | -1.7 | 2.7 |
| RESERVE MARGIN | 48.3 | 28.6 | 23.8 | 33.7 | 39.6 | | | | | | | |
| RES CENTS PER KWH | 6.9 | 8.5 | 7.0 | 7.0 | 6.0 | -18.9 | 21.2 | 0.6 | 15.2 | 9.5 | 4.5 | 2.9 |
| RES KWH PER CUST PER MO | 1,061 | 1,068 | 1,076 | 1,007 | 1,085 | -0.7 | -0.8 | 6.9 | -7.2 | 3.7 | 0.3 | 0.6 |
| CONSTR EXP(000 $) | 213,498 | 448,450 | 465,957 | 516,101 | 539,916 | -52.4 | -3.8 | -9.7 | -4.4 | 49.8 | -9.9 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 75.0 | 78.0 | 90.0 | 89.0 | 96.0 | | | | | | | |
| COAL/LIGNITE | 16.0 | 22.0 | 10.0 | 11.0 | 4.0 | | | | | | | |
| NUCLEAR | 9.0 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | |

### FINANCIAL DATA

| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 1.71 | 2.10 | 2.30 | 2.31 | 1.95 | -18.6 | -8.7 | -0.4 | 18.5 | -12.9 | -5.3 | -0.8 |
| DIVIDENDS PER SHARE($) | 0.67 | 1.64 | 1.64 | 1.62 | 1.56 | -59.1 | 0.0 | 1.2 | 3.8 | 5.4 | -14.7 | -0.8 |
| STOCK PRICE($) | 7.38 | 13.00 | 13.00 | 12.75 | 13.38 | -43.2 | 0.0 | 2.0 | -4.7 | 12.6 | -9.1 | 8.8 |
| BOOK VALUE PER SHARE($) | 16.79 | 16.02 | 15.79 | 15.73 | 15.25 | 4.8 | 1.5 | 0.4 | 3.1 | -1.0 | 1.7 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 10.5 | 13.0 | 14.4 | 14.8 | 12.3 | 13.0 | 15.6 |
| AFC TO EARN | 166.5 | 104.0 | 78.4 | 70.3 | 70.5 | 97.9 | 51.4 |
| YIELD | 6.6 | 12.6 | 12.7 | 12.4 | 12.4 | 11.3 | 9.1 |
| PAYOUT RATIO | 39.2 | 78.1 | 71.3 | 70.1 | 80.0 | 67.7 | 61.4 |
| MARKET TO BOOK | 44.0 | 81.1 | 82.3 | 81.1 | 87.7 | 75.2 | 106.4 |
| PE RATIO(X) | 6.0 | 6.2 | 5.6 | 5.7 | 6.5 | 6.0 | 6.8 |
| INTERNAL GEN | -10.4 | -0.8 | 15.9 | 17.6 | 13.2 | 7.1 | 32.1 |
| INT COV INCL AFC(X) | 1.8 | 2.1 | 2.4 | 2.5 | 2.1 | 2.2 | 3.3 |
| INT COV EXCL AFC(X) | 0.8 | 1.4 | 1.7 | 1.8 | 1.7 | 1.5 | 2.6 |
| CASH FLOW COV OF DIV | 0.7 | 1.0 | 1.5 | 1.7 | 1.7 | 1.3 | 2.0 |
| LONG TERM DEBT RATIO | 54.2 | 53.2 | 51.6 | 51.1 | 50.9 | 52.2 | 46.3 |
| COMMON EQUITY RATIO | 35.0 | 35.4 | 36.6 | 36.6 | 36.0 | 35.9 | 44.2 |
| PREFERRED STOCK RATIO | 10.8 | 11.4 | 11.8 | 12.3 | 13.1 | 11.9 | 9.5 |
| EFFECTIVE TAX RATE | 4.8 | 17.3 | 22.5 | 24.5 | 25.1 | 18.8 | 31.8 |
| BOND RATING | Ba3/B+ | Baa2/BBB | Baa3/BBB | Baa2/BBB | Baa2/BBB | | |
| PCT TPUC JURIS SALES | 44.2 | | | | | | |

# TEXAS PUC - COMPANY ANALYSIS REPORT
GULF STATES UTILITIES CO (GSU)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 1,478,388 | 1,858,436 | 1,547,041 | 1,436,188 | 1,307,259 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -20.4 | 20.1 | 7.7 | 9.9 | 7.0 | 3.9 | 4.8 | | | | | | | |
| FUEL & PP | 796,288 | 1,018,736 | 686,031 | 639,479 | 628,627 | | | 53.9 | 54.8 | 44.3 | 44.5 | 48.1 | 49.1 | 51.2 |
| | -21.8 | 48.5 | 7.3 | 1.7 | -0.5 | 4.7 | 1.5 | | | | | | | |
| O & M | 315,716 | 265,803 | 265,544 | 252,122 | 216,981 | | | 21.4 | 14.3 | 17.2 | 17.6 | 16.6 | 17.4 | 16.1 |
| | 18.8 | 0.1 | 5.3 | 16.2 | 6.1 | 9.1 | 9.7 | | | | | | | |
| DEPR | 162,272 | 112,789 | 112,291 | 103,251 | 89,291 | | | 11.0 | 6.1 | 7.3 | 7.2 | 6.8 | 7.7 | 5.4 |
| | 43.9 | 0.4 | 8.8 | 15.6 | 14.2 | 15.7 | 10.0 | | | | | | | |
| CURR FIT | -1,120 | -8,229 | 8,522 | 9,276 | 7,317 | | | -0.1 | -0.4 | 0.6 | 0.6 | 0.6 | 0.2 | 2.2 |
| DEF TAX | 10,214 | 108,153 | 72,648 | 36,592 | 31,510 | | | 0.7 | 5.8 | 4.7 | 2.5 | 2.4 | 3.2 | 2.8 |
| ITC | -3,621 | -54,489 | -8,911 | 24,670 | 14,020 | | | -0.2 | -2.9 | -0.6 | 1.7 | 1.1 | -0.2 | 1.5 |
| FIT | 5,473 | 45,435 | 72,259 | 70,538 | 52,847 | | | 0.4 | 2.4 | 4.7 | 4.9 | 4.0 | 3.3 | 6.4 |
| | -88.0 | -37.1 | 2.4 | 33.5 | 64.2 | -29.8 | 5.1 | | | | | | | |
| OTH TAX | 73,521 | 71,808 | 67,232 | 57,505 | 49,104 | | | 5.0 | 3.9 | 4.3 | 4.0 | 3.8 | 4.2 | 4.6 |
| | 2.4 | 6.8 | 16.9 | 17.1 | 9.7 | 10.4 | 9.7 | | | | | | | |
| OPER INC | 125,118 | 343,865 | 343,684 | 313,293 | 270,409 | | | 8.5 | 18.5 | 22.2 | 21.8 | 20.7 | 18.3 | 16.1 |
| | -63.6 | 0.1 | 9.7 | 15.9 | 17.4 | -11.5 | 6.3 | | | | | | | |
| AFC | 302,698 | 213,612 | 158,867 | 126,985 | 89,578 | | | 20.5 | 11.5 | 10.3 | 8.8 | 6.9 | 11.6 | 6.4 |
| | 41.7 | 34.5 | 25.1 | 41.8 | 17.5 | 31.7 | 26.7 | | | | | | | |
| OTH INC | 112,852 | -18,277 | -2,741 | -3,400 | 2,375 | | | 7.6 | -1.0 | -0.2 | -0.2 | 0.2 | 1.3 | 0.1 |
| INTEREST | 295,687 | 273,701 | 241,639 | 207,079 | 196,383 | | | 20.0 | 14.7 | 15.6 | 14.4 | 15.0 | 16.0 | 8.9 |
| | 8.0 | 13.3 | 16.7 | 5.4 | 16.1 | 11.8 | 12.6 | | | | | | | |
| NET INCOME | 244,981 | 265,499 | 258,171 | 229,799 | 165,979 | | | 16.6 | 14.3 | 16.7 | 16.0 | 12.7 | 15.2 | 13.7 |
| | -7.7 | 2.8 | 12.3 | 38.5 | 10.0 | 10.2 | 12.1 | | | | | | | |
| PREF DIV | 63,127 | 60,137 | 55,660 | 49,052 | 38,949 | | | 4.3 | 3.2 | 3.6 | 3.4 | 3.0 | 3.5 | 1.5 |
| | 5.0 | 8.0 | 13.5 | 25.9 | 28.2 | 15.8 | 10.9 | | | | | | | |
| INC TO COM | 181,854 | 205,362 | 202,511 | 180,747 | 127,030 | | | 12.3 | 11.1 | 13.1 | 12.6 | 9.7 | 11.7 | 12.1 |
| | -11.4 | 1.4 | 12.0 | 42.3 | 5.4 | 8.6 | 12.3 | | | | | | | |
| COMMON DIV | 70,319 | 161,605 | 145,663 | 127,263 | 101,223 | | | 4.8 | 8.7 | 9.4 | 8.9 | 7.7 | 7.9 | 7.8 |
| | -56.5 | 10.9 | 14.5 | 25.7 | 27.5 | -2.4 | 13.6 | | | | | | | |
| INC TO RE | 111,535 | 43,757 | 56,848 | 53,484 | 25,807 | | | 7.5 | 2.4 | 3.7 | 3.7 | 2.0 | 3.9 | 4.3 |

TEXAS PUC - COMPANY ANALYSIS REPORT
GULF STATES UTILITIES CO (GSU)
FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

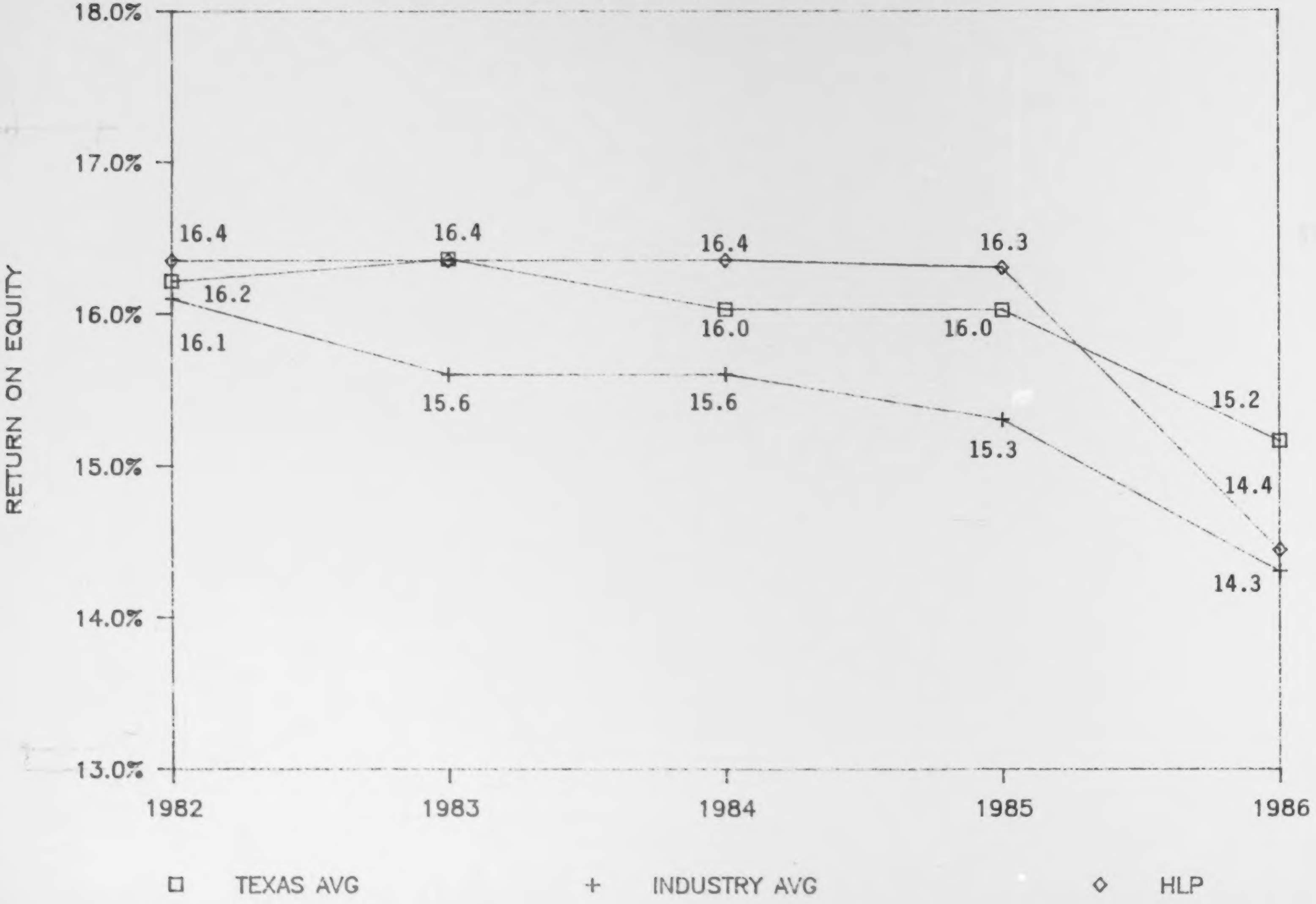
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 6,370,545 | 3,364,687 | 3,267,055 | 3,106,834 | 2,760,434 | | | 104.1 | 60.6 | 66.9 | 71.4 | 72.5 | 75.1 | 74.5 |
| CWIP & OTH | 18,704 | 2,728,700 | 2,187,287 | 1,844,163 | 1,574,925 | | | 0.3 | 49.1 | 44.8 | 42.4 | 41.4 | 35.6 | 35.8 |
| TOTAL PLANT | 6,389,249 | 6,093,387 | 5,454,342 | 4,950,997 | 4,335,359 | | | 104.5 | 109.7 | 111.6 | 113.8 | 113.9 | 110.7 | 110.3 |
| ACCUM DEPR | 1,204,730 | 1,081,524 | 994,600 | 904,919 | 811,853 | | | 19.7 | 19.5 | 20.4 | 20.8 | 21.3 | 20.3 | 19.1 |
| NET PLANT | 5,184,519 | 5,011,863 | 4,459,742 | 4,046,078 | 3,523,506 | | | 84.8 | 90.2 | 91.3 | 93.0 | 92.6 | 90.4 | 91.2 |
| | 3.4 | 12.4 | 10.2 | 14.8 | 14.0 | 10.9 | 11.3 | | | | | | | |
| CASH & INV | 143,880 | 67,098 | 6,547 | 3,026 | 6,230 | | | 2.4 | 1.2 | 0.1 | 0.1 | 0.2 | 0.8 | 1.5 |
| ACCTS REC | 144,259 | 153,943 | 120,015 | 115,312 | 113,751 | | | 2.4 | 2.8 | 2.5 | 2.7 | 3.0 | 2.6 | 2.7 |
| INVENTORY | 38,948 | 49,796 | 65,440 | 55,554 | 58,637 | | | 0.6 | 0.9 | 1.3 | 1.3 | 1.5 | 1.1 | 1.8 |
| OTH CURRENT | 23,279 | 8,504 | 7,462 | 16,574 | 6,560 | | | 0.4 | 0.2 | 0.2 | 0.4 | 0.2 | 0.2 | 0.4 |
| TOTAL CURR | 350,366 | 279,341 | 199,464 | 190,466 | 185,178 | | | 5.7 | 5.0 | 4.1 | 4.4 | 4.9 | 4.8 | 6.4 |
| | 25.4 | 40.0 | 4.7 | 2.9 | 6.0 | 14.9 | 13.6 | | | | | | | |
| OTH ASSETS | 581,970 | 265,041 | 227,638 | 112,980 | 97,427 | | | 9.5 | 4.8 | 4.7 | 2.6 | 2.6 | 4.8 | 2.4 |
| TOTAL ASSETS | 6,116,855 | 5,556,245 | 4,886,844 | 4,349,524 | 3,806,111 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 10.1 | 13.7 | 12.4 | 14.3 | 13.8 | 12.8 | 12.0 | | | | | | | |
| COMMON EQ | 1,812,228 | 1,656,592 | 1,491,798 | 1,316,599 | 1,128,991 | | | 29.6 | 29.8 | 30.5 | 30.3 | 29.7 | 30.0 | 34.5 |
| | 9.4 | 11.0 | 13.3 | 16.6 | 21.0 | 14.2 | 12.7 | | | | | | | |
| PREF STOCK | 559,757 | 530,860 | 480,211 | 440,780 | 411,997 | | | 9.2 | 9.6 | 9.8 | 10.1 | 10.8 | 9.9 | 7.4 |
| | 5.4 | 10.5 | 8.9 | 7.0 | 32.1 | 12.4 | 9.8 | | | | | | | |
| LT DEBT | 2,805,337 | 2,487,696 | 2,103,881 | 1,835,959 | 1,595,525 | | | 45.9 | 44.8 | 43.1 | 42.2 | 41.9 | 43.6 | 36.1 |
| | 12.8 | 18.2 | 14.6 | 15.1 | 8.7 | 13.8 | 11.7 | | | | | | | |
| TOTAL CAP | 5,177,322 | 4,675,148 | 4,075,890 | 3,593,338 | 3,136,513 | | | 84.6 | 84.1 | 83.4 | 82.6 | 82.4 | 83.4 | 78.0 |
| | 10.7 | 14.7 | 13.4 | 14.6 | 15.6 | 13.8 | 11.9 | | | | | | | |
| ST DEBT | 42,569 | 19,045 | 52,000 | 91,217 | 96,907 | | | 0.7 | 0.3 | 1.1 | 2.1 | 2.5 | 1.3 | 1.6 |
| OTH CURRENT | 224,099 | 251,882 | 249,770 | 238,609 | 211,554 | | | 3.7 | 4.5 | 5.1 | 5.5 | 5.6 | 4.9 | 6.8 |
| TOTAL CURR | 266,668 | 270,927 | 301,770 | 329,826 | 308,461 | | | 4.4 | 4.9 | 6.2 | 7.6 | 8.1 | 6.2 | 8.4 |
| | -1.6 | -10.2 | -8.5 | 6.9 | 13.6 | -0.4 | 6.3 | | | | | | | |
| ACC DEF TAX | 459,778 | 438,727 | 319,805 | 239,296 | 199,842 | | | 7.5 | 7.9 | 6.5 | 5.5 | 5.3 | 6.5 | 7.7 |
| | 4.8 | 37.2 | 33.6 | 19.7 | 13.9 | 21.3 | 18.6 | | | | | | | |
| ACC ITC | 117,728 | 121,339 | 167,636 | 176,399 | 151,696 | | | 1.9 | 2.2 | 3.4 | 4.1 | 4.0 | 3.1 | 5.4 |
| | -3.0 | -27.6 | -5.0 | 16.3 | 4.3 | -4.1 | 11.3 | | | | | | | |
| OTH LIAB | 95,359 | 50,104 | 21,743 | 10,665 | 9,599 | | | 1.6 | 0.9 | 0.4 | 0.2 | 0.3 | 0.7 | 0.5 |
| LIAB AND EQ | 6,116,855 | 5,556,245 | 4,886,844 | 4,349,524 | 3,806,111 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

# Section V - Houston Lighting and Power Company

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1981-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Megawatt Peak Demand 1982-1986
11. Fuel Mix 1982-1986
12. Operating Data 1982-1986
13. Income Statement Analysis 1982-1986
14. Balance Sheet Analysis 1982-1986

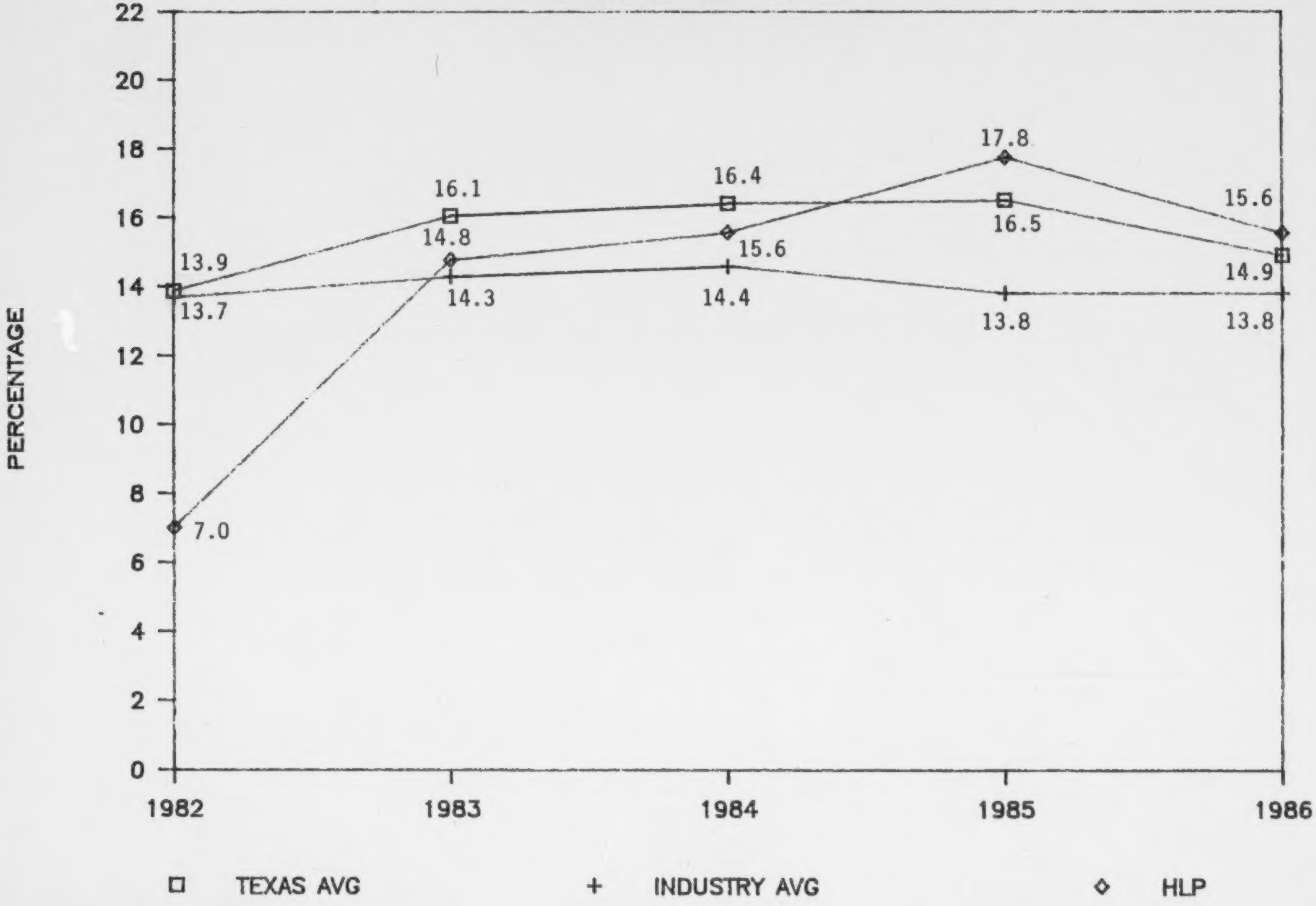
# ALLOWED RETURN ON EQUITY

## HOUSTON LIGHTING & POWER



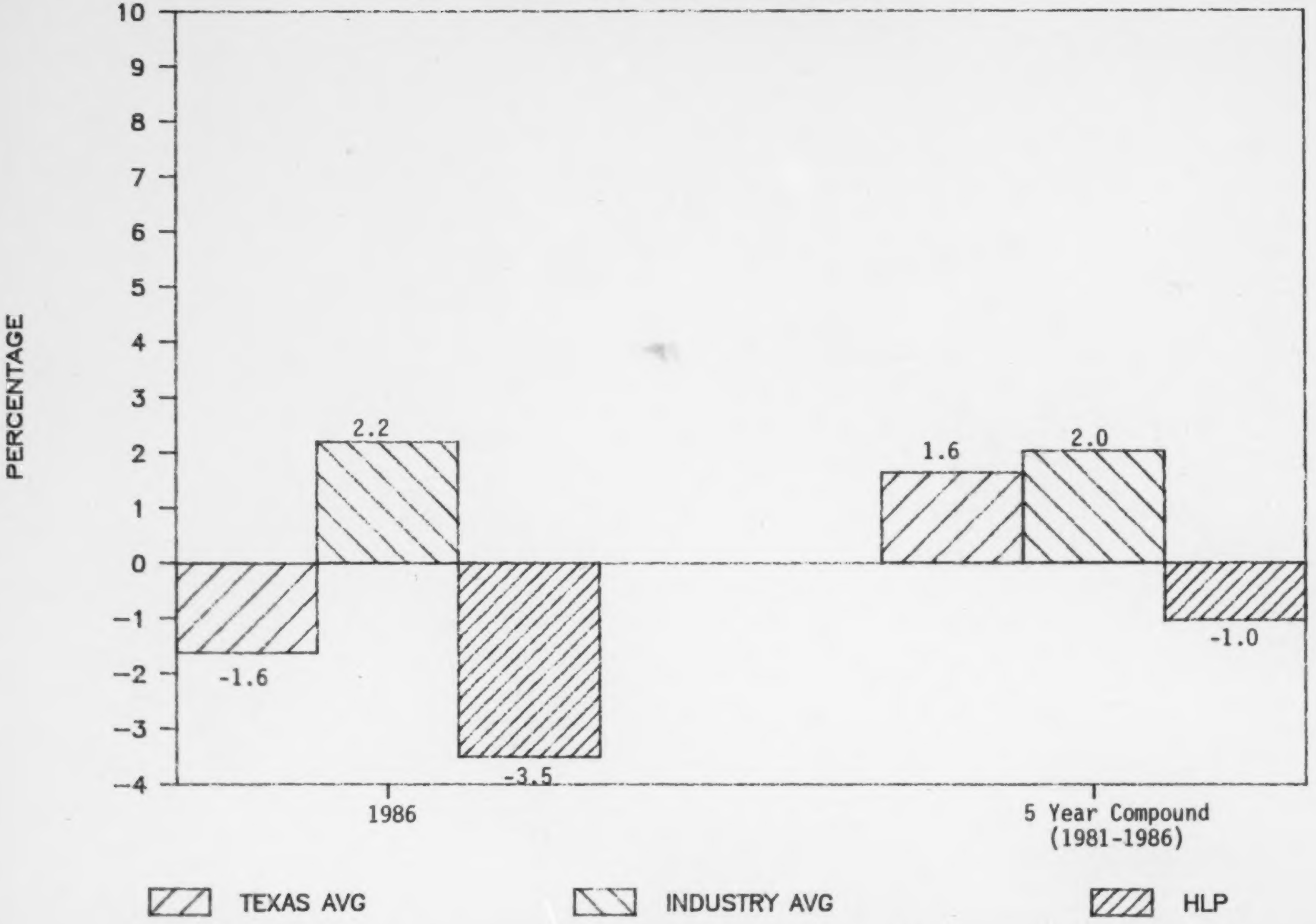
# EARNED RETURN ON EQUITY

## HOUSTON LIGHTING & POWER



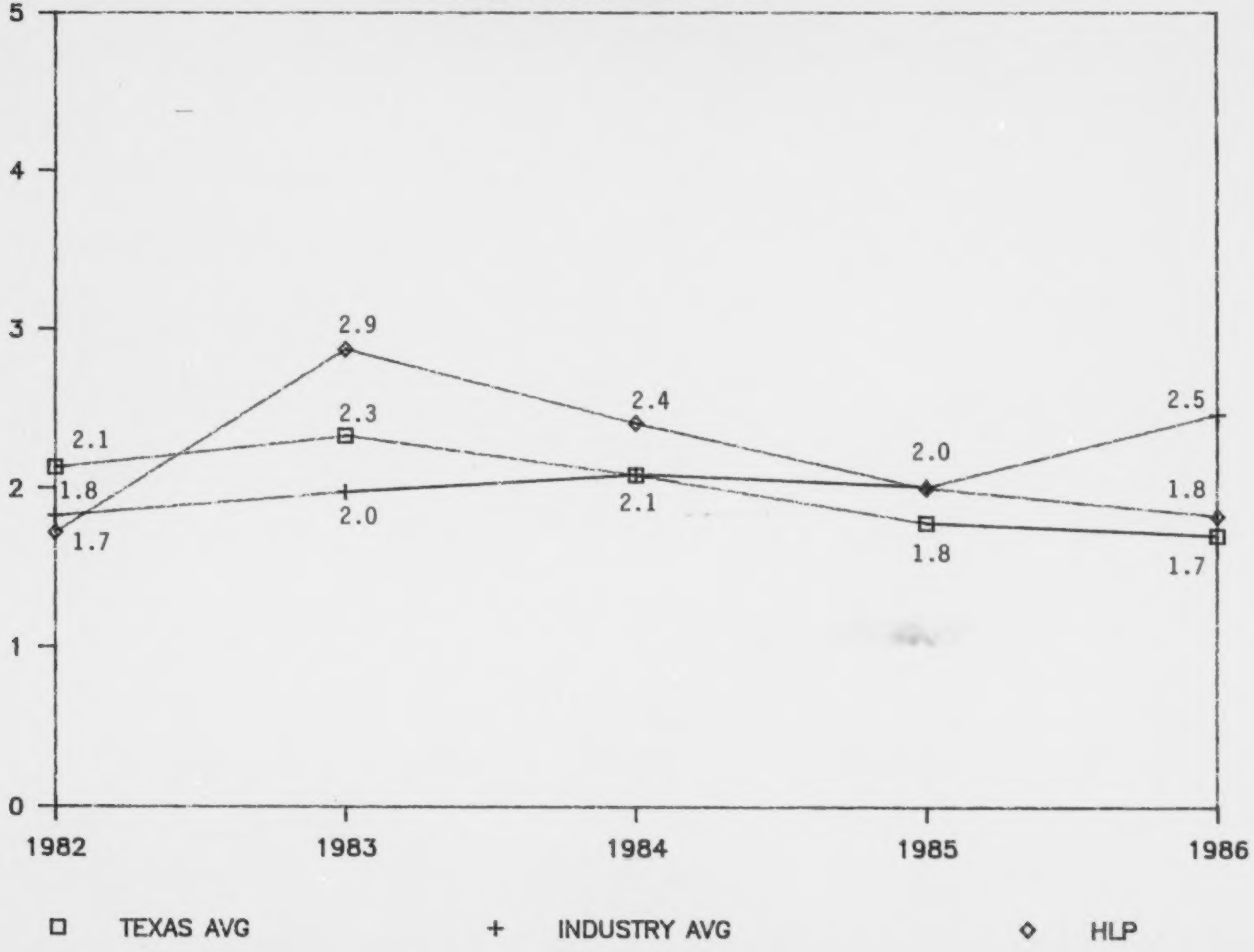
# MWH SALES GROWTH

HOUSTON LIGHTING & POWER



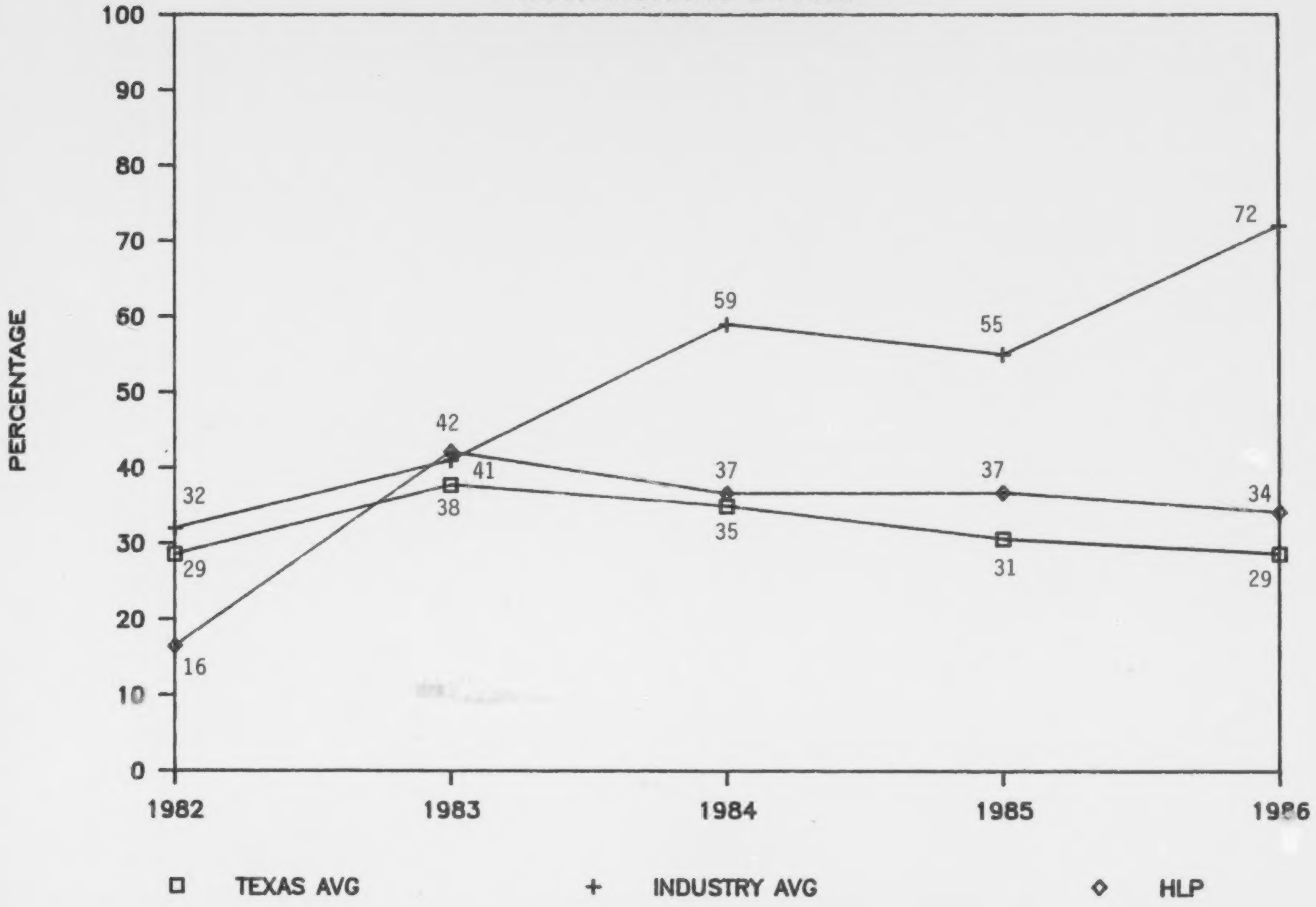
# CASH FLOW COVERAGE OF DIVIDENDS

## HOUSTON LIGHTING & POWER



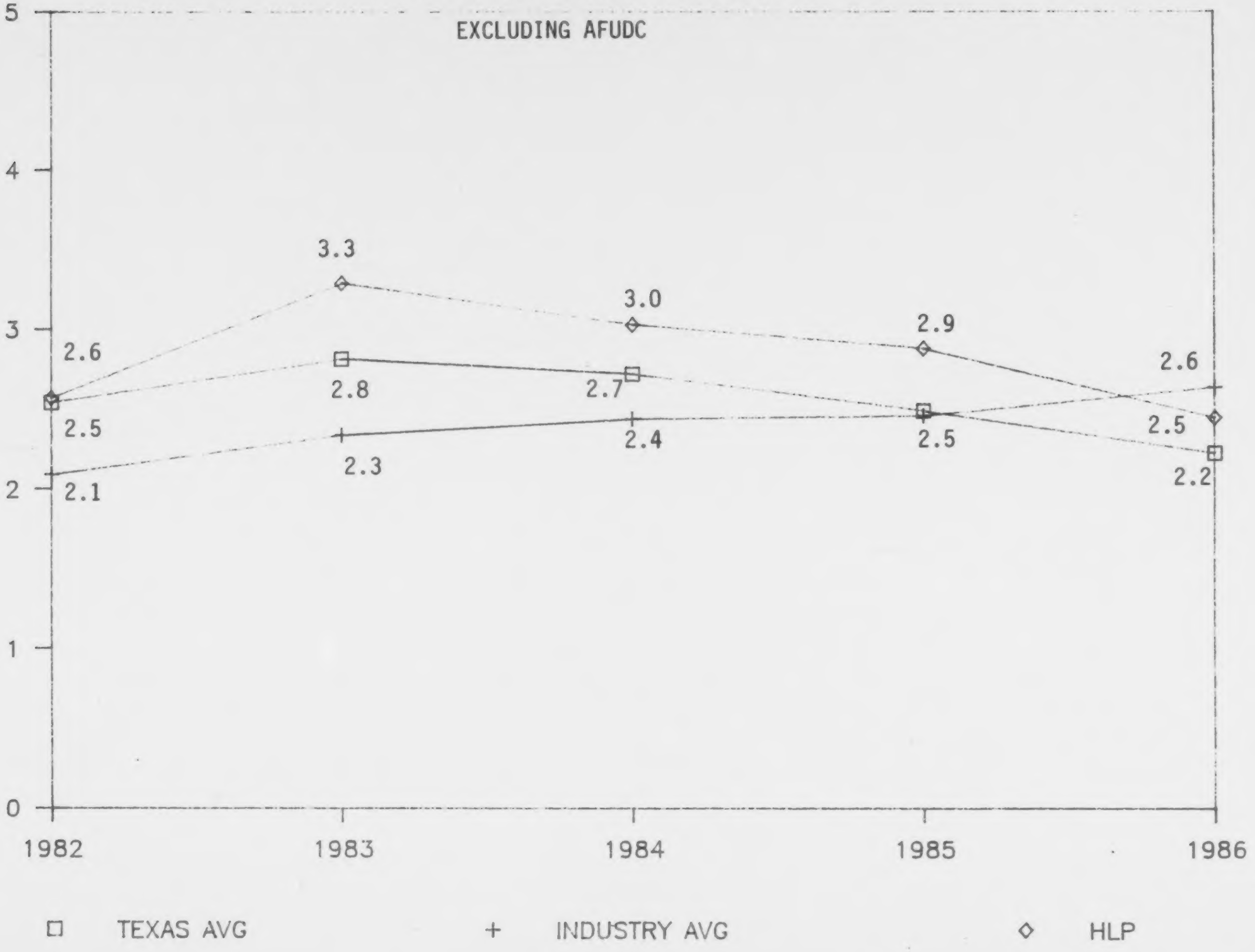
# FUNDS GENERATED INTERNALLY (%)

## HOUSTON LIGHTING & POWER



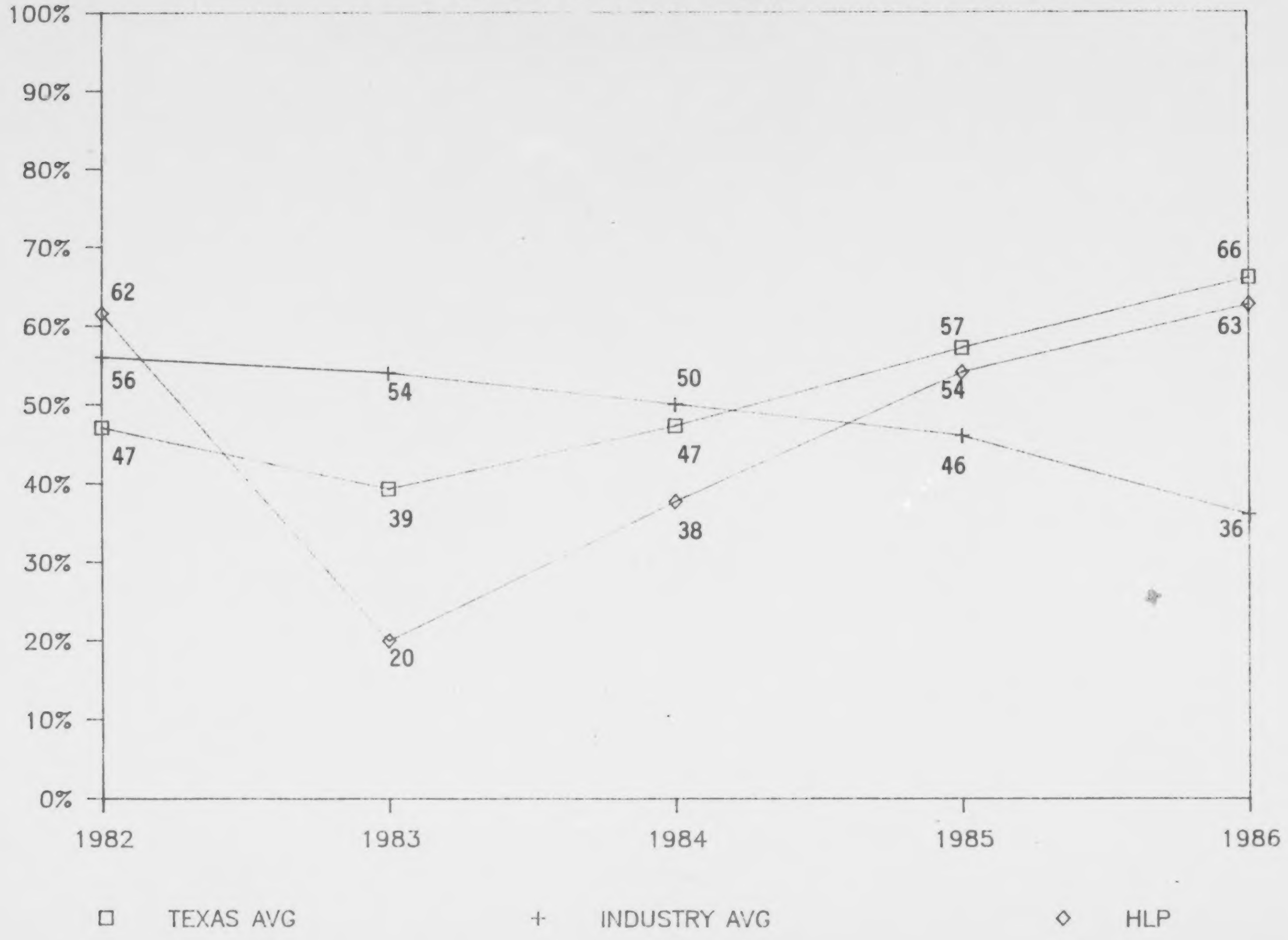
# PRE--TAX INTEREST COVERAGE

## HOUSTON LIGHTING & POWER



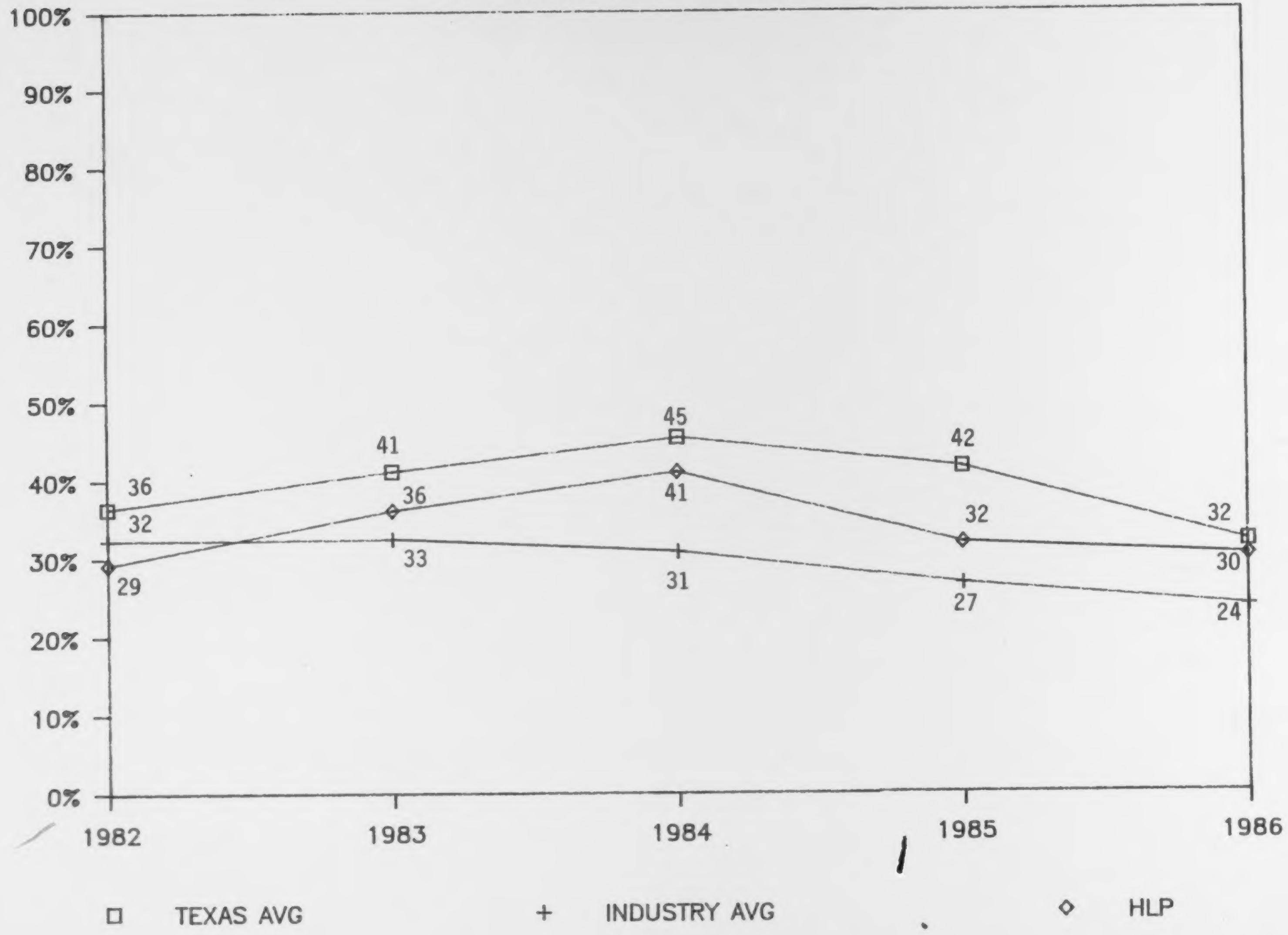
# RATIO OF AFUDC TO INCOME TO COMMON

## HOUSTON LIGHTING & POWER



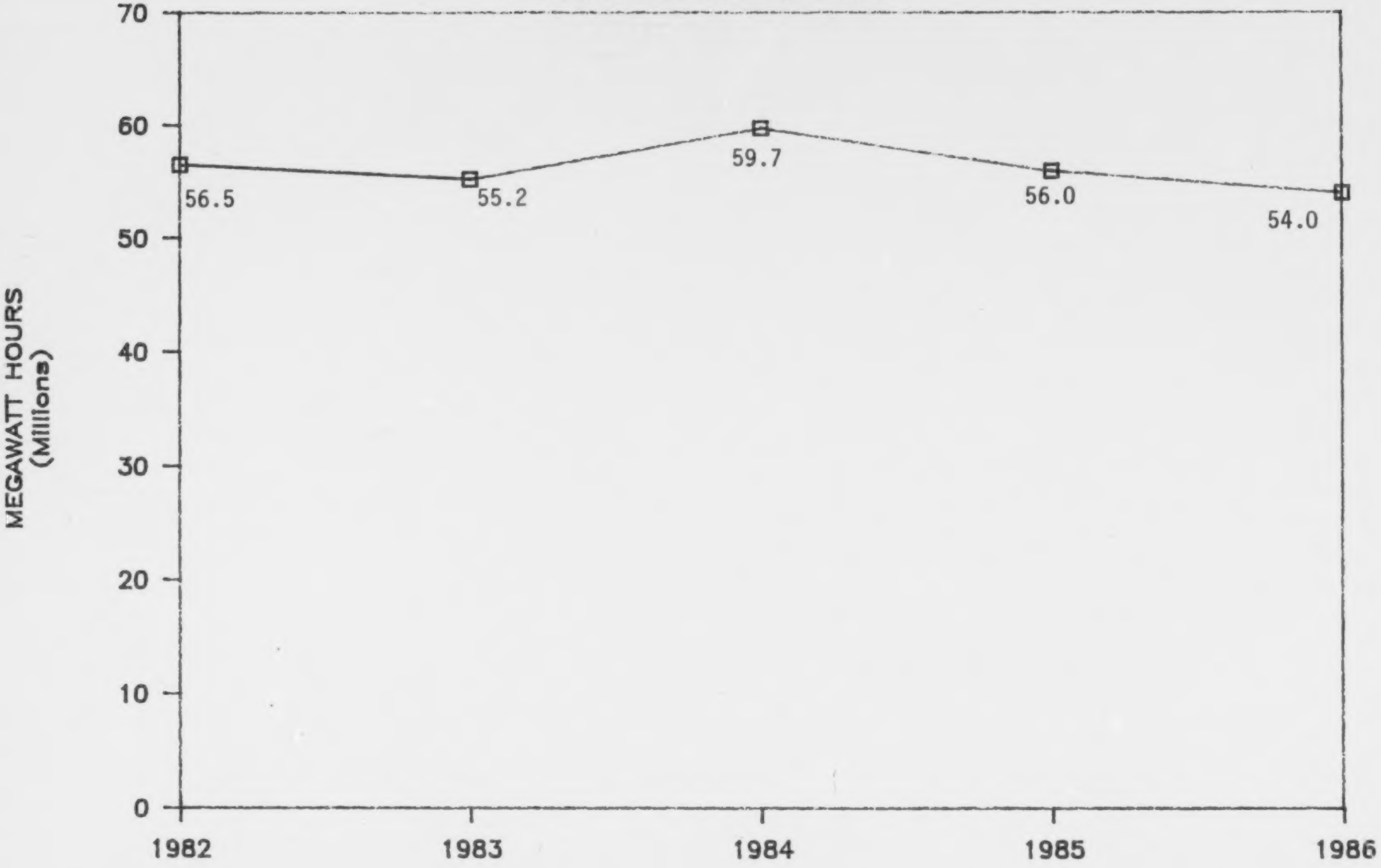
# CWIP AS A % OF NET PLANT

HOUSTON LIGHTING & POWER



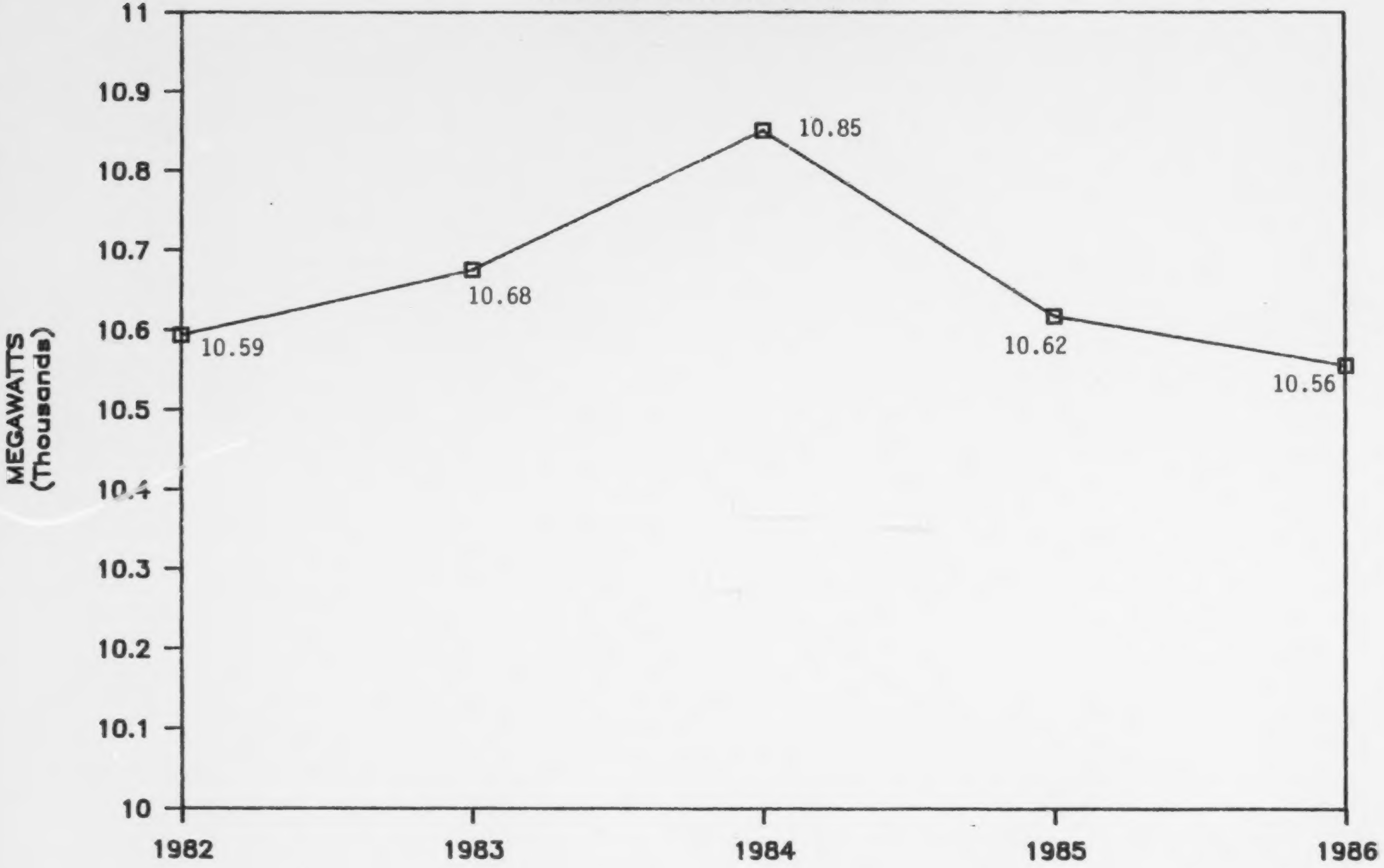
# MWH SALES

HOUSTON LIGHTING & POWER



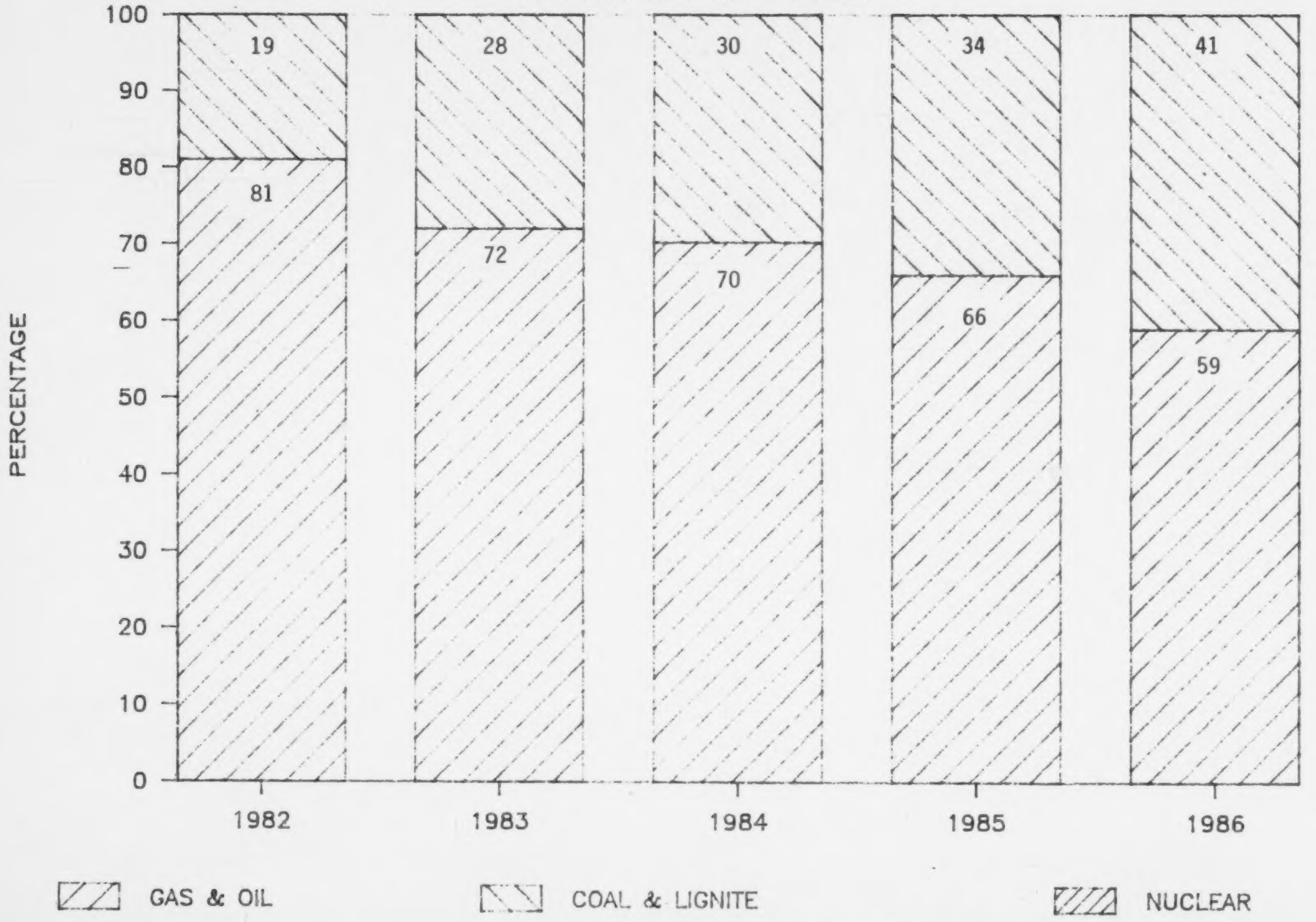
# PEAK DEMAND

## HOUSTON LIGHTING & POWER



# FUEL MIX

## HOUSTON LIGHTING & POWER



## TEXAS PUC - COMPANY ANALYSIS REPORT
## HOUSTON LIGHTING & POWER CO (HLP)
## FOR THE FIVE YEARS ENDED 1986

### OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 54,008 | 55,969 | 59,748 | 55,226 | 56,529 | -3.5 | -6.3 | 8.2 | -2.3 | -0.6 | -1.0 | 1.6 |
| MW PEAK DEMAND | 10,556 | 10,618 | 10,851 | 10,676 | 10,594 | -0.6 | -2.1 | 1.6 | 0.8 | 0.5 | 0.0 | 2.7 |
| RESERVE MARGIN | 25.6 | 31.0 | 21.6 | 25.5 | 22.4 | | | | | | | |
| RES CENTS PER KWH | 7.3 | 8.3 | 8.1 | 8.3 | 7.8 | -11.8 | 2.0 | -1.4 | 6.3 | 23.4 | 3.1 | 2.9 |
| RES KWH PER CUST PER MO | 1,060 | 1,081 | 1,057 | 985 | 1,131 | -2.0 | 2.3 | 7.3 | -12.9 | 3.2 | -0.7 | 0.6 |
| CONSTR EXP(000 $) | 712,418 | 745,972 | 904,076 | 886,892 | 736,411 | -4.5 | -17.5 | 1.9 | 20.4 | 14.4 | 2.0 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 59.0 | 66.0 | 70.2 | 72.0 | 81.0 | | | | | | | |
| COAL/LIGNITE | 41.0 | 34.0 | 29.8 | 28.0 | 19.0 | | | | | | | |

### FINANCIAL DATA

| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 3.90 | 4.42 | 3.85 | 3.54 | 1.62 | -11.8 | 14.8 | 8.8 | 118.5 | -48.4 | 4.4 | -0.8 |
| DIVIDENDS PER SHARE($) | 2.76 | 2.60 | 2.44 | 2.28 | 2.16 | 6.2 | 6.6 | 7.0 | 5.6 | 8.5 | 6.8 | -0.8 |
| STOCK PRICE($) | 34.25 | 28.00 | 22.50 | 19.38 | 20.00 | 22.3 | 24.4 | 16.1 | -3.1 | 10.3 | 13.6 | 8.8 |
| BOOK VALUE PER SHARE($) | 26.91 | 26.74 | 24.95 | 23.79 | 22.79 | 0.6 | 7.2 | 4.9 | 4.4 | -3.8 | 2.6 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 15.6 | 17.8 | 15.6 | 14.8 | 7.0 | 14.1 | 15.6 |
| AFC TO EARN | 62.7 | 54.1 | 37.7 | 20.0 | 61.6 | 47.2 | 51.4 |
| YIELD | 8.9 | 10.3 | 11.7 | 11.6 | 11.3 | 10.7 | 9.1 |
| PAYOUT RATIO | 70.8 | 58.8 | 63.4 | 64.4 | 133.3 | 78.1 | 61.4 |
| MARKET TO BOOK | 127.3 | 104.7 | 90.2 | 81.5 | 87.8 | 98.3 | 106.4 |
| PE RATIO(X) | 8.0 | 5.7 | 5.4 | 5.6 | 11.8 | 7.3 | 6.8 |
| INTERNAL GEN | 34.2 | 36.7 | 36.6 | 42.1 | 16.5 | 33.2 | 32.1 |
| INT COV INCL AFC(X) | 3.4 | 3.8 | 3.6 | 3.6 | 3.0 | 3.5 | 3.3 |
| INT COV EXCL AFC(X) | 2.4 | 2.9 | 3.0 | 3.3 | 2.6 | 2.8 | 2.6 |
| CASH FLOW COV OF DIV | 1.8 | 2.0 | 2.4 | 2.9 | 1.7 | 2.2 | 2.0 |
| LONG TERM DEBT RATIO | 47.2 | 47.8 | 48.1 | 46.5 | 48.8 | 47.7 | 46.3 |
| COMMON EQUITY RATIO | 47.2 | 46.4 | 46.3 | 48.0 | 45.1 | 46.6 | 44.2 |
| PREFERRED STOCK RATIO | 5.6 | 5.8 | 5.6 | 5.4 | 6.2 | 5.7 | 9.5 |
| EFFECTIVE TAX RATE | 32.5 | 35.2 | 38.2 | 41.4 | 39.7 | 37.4 | 31.8 |
| BOND RATING | A2/A- | A2/A+ | Aa3/AA- | Aa2/AA | Aa2/AA | | |
| PCT TPUC JURIS SALES | 100.0 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
HOUSTON LIGHTING & POWER CO (HLP)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 2,959,740 | 3,533,364 | 3,674,556 | 3,523,745 | 3,478,808 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -16.2 | -3.8 | 4.3 | 1.3 | 25.6 | 1.3 | 4.8 | | | | | | | |
| FUEL & PP | 1,357,062 | 1,863,064 | 2,133,548 | 2,088,526 | 2,149,545 | | | 45.9 | 52.7 | 58.1 | 59.3 | 61.8 | 55.5 | 51.2 |
| | -27.2 | -12.7 | 2.2 | -2.8 | 27.4 | -4.3 | 1.5 | | | | | | | |
| O & M | 561,406 | 594,576 | 524,806 | 486,061 | 467,019 | | | 19.0 | 16.8 | 14.3 | 13.8 | 13.4 | 15.5 | 16.1 |
| | -5.6 | 13.3 | 8.0 | 4.1 | 26.2 | 8.7 | 9.7 | | | | | | | |
| DEPR | 206,262 | 177,099 | 167,464 | 155,311 | 127,049 | | | 7.0 | 5.0 | 4.6 | 4.4 | 3.7 | 4.9 | 5.4 |
| | 16.5 | 5.8 | 7.8 | 22.2 | 7.2 | 11.7 | 10.0 | | | | | | | |
| CURR FIT | 53,471 | 101,509 | 55,456 | 35,127 | 97,039 | | | 1.8 | 2.9 | 1.5 | 1.0 | 2.8 | 2.0 | 2.2 |
| DEF TAX | 140,777 | 129,464 | 83,499 | 74,968 | 113,330 | | | 4.8 | 3.7 | 2.3 | 2.1 | 3.3 | 3.2 | 2.8 |
| ITC | 28,033 | 31,584 | 93,174 | 109,694 | 1,916 | | | 0.9 | 0.9 | 2.5 | 3.1 | 0.1 | 1.5 | 1.5 |
| FIT | 222,281 | 262,557 | 232,129 | 219,789 | 212,285 | | | 7.5 | 7.4 | 6.3 | 6.2 | 6.1 | 6.7 | 6.4 |
| | -15.3 | 13.1 | 5.6 | 3.5 | 27.9 | 6.0 | 5.1 | | | | | | | |
| OTH TAX | 146,791 | 140,185 | 135,355 | 116,195 | 111,660 | | | 5.0 | 4.0 | 3.7 | 3.3 | 3.2 | 3.8 | 4.6 |
| | 4.7 | 3.6 | 16.5 | 4.1 | 23.6 | 10.2 | 9.7 | | | | | | | |
| OPER INC | 465,938 | 495,883 | 481,254 | 457,863 | 411,250 | | | 15.7 | 14.0 | 13.1 | 13.0 | 11.8 | 13.5 | 16.1 |
| | -6.0 | 3.0 | 5.1 | 11.3 | 22.2 | 6.7 | 6.3 | | | | | | | |
| AFC | 272,715 | 246,770 | 133,994 | 58,377 | 75,250 | | | 9.2 | 7.0 | 3.6 | 1.7 | 2.2 | 4.7 | 6.4 |
| | 10.5 | 84.2 | 129.5 | -22.4 | 24.8 | 35.2 | 26.7 | | | | | | | |
| OTH INC | 7,236 | 5,022 | 139 | 1,616 | -166,152 | | | 0.2 | 0.1 | 0.0 | 0.0 | -4.8 | -0.9 | 0.1 |
| INTEREST | 284,145 | 265,170 | 235,543 | 206,520 | 178,058 | | | 9.6 | 7.5 | 6.4 | 5.9 | 5.1 | 6.9 | 8.9 |
| | 7.2 | 12.6 | 14.1 | 16.0 | 15.7 | 13.0 | 12.6 | | | | | | | |
| NET INCOME | 461,744 | 482,505 | 379,844 | 311,336 | 142,290 | | | 15.6 | 13.7 | 10.3 | 8.8 | 4.1 | 10.5 | 13.7 |
| | -4.3 | 27.0 | 22.0 | 118.8 | -42.0 | 13.5 | 12.1 | | | | | | | |
| PREF DIV | 26,817 | 26,602 | 24,322 | 20,042 | 20,042 | | | 0.9 | 0.8 | 0.7 | 0.6 | 0.6 | 0.7 | 1.5 |
| | 0.8 | 9.4 | 21.4 | 0.0 | 0.0 | 6.0 | 10.9 | | | | | | | |
| INC TO COM | 434,927 | 455,903 | 355,522 | 291,294 | 122,248 | | | 14.7 | 12.9 | 9.7 | 8.3 | 3.5 | 9.8 | 12.1 |
| | -4.6 | 28.2 | 22.0 | 138.3 | -45.7 | 14.1 | 12.3 | | | | | | | |
| COMMON DIV | 293,982 | 273,177 | 234,645 | 199,377 | 167,917 | | | 9.9 | 7.7 | 6.4 | 5.7 | 4.8 | 6.9 | 7.8 |
| | 7.6 | 16.4 | 17.7 | 18.7 | 21.7 | 16.3 | 13.6 | | | | | | | |
| INC TO RE | 140,945 | 182,726 | 120,877 | 91,917 | -45,669 | | | 4.8 | 5.2 | 3.3 | 2.6 | -1.3 | 2.9 | 4.3 |

# TEXAS PUC - COMPANY ANALYSIS REPORT
HOUSTON LIGHTING & POWER CO (HLP)
FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

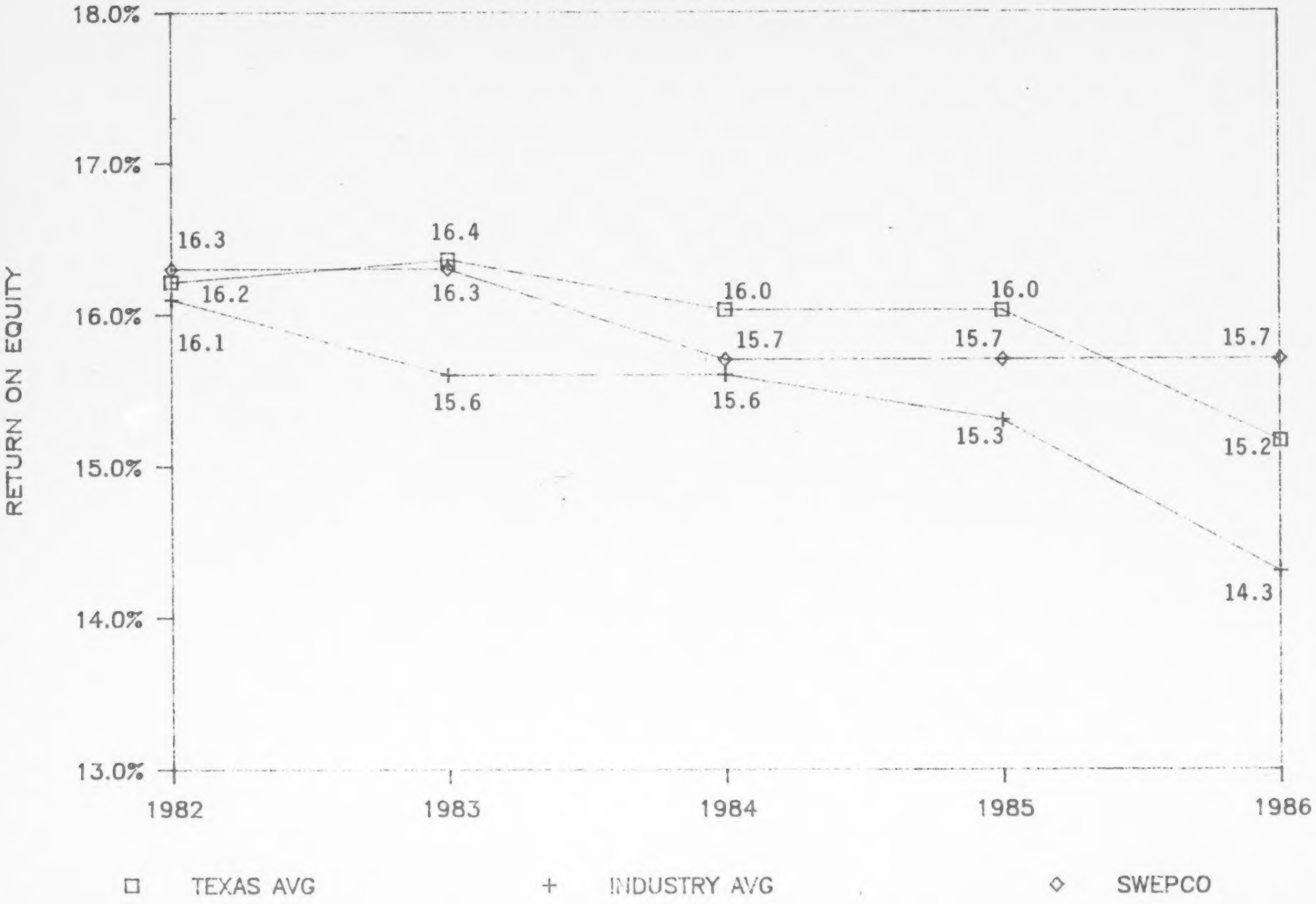
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 6,696,964 | 5,935,699 | 4,850,678 | 4,484,689 | 4,195,493 | | | 82.3 | 75.8 | 69.4 | 74.0 | 79.6 | 76.2 | 74.5 |
| CWIP & OTH | 2,296,890 | 2,201,831 | 2,601,979 | 1,985,564 | 1,370,907 | | | 28.2 | 28.1 | 37.2 | 32.8 | 26.0 | 30.5 | 35.8 |
| TOTAL PLANT | 8,993,854 | 8,137,530 | 7,452,657 | 6,470,253 | 5,566,400 | | | 110.5 | 103.9 | 106.6 | 106.8 | 105.5 | 106.7 | 110.3 |
| ACCUM DEPR | 1,351,412 | 1,203,039 | 1,113,412 | 987,247 | 864,962 | | | 16.6 | 15.4 | 15.9 | 16.3 | 16.4 | 16.1 | 19.1 |
| NET PLANT | 7,642,442 | 6,934,491 | 6,339,245 | 5,483,006 | 4,701,438 | | | 93.9 | 88.6 | 90.7 | 90.5 | 89.1 | 90.6 | 91.2 |
| | 10.2 | 9.4 | 15.6 | 16.6 | 5.6 | 11.4 | 11.3 | | | | | | | |
| CASH & INV | 891 | 328,030 | 139,896 | 17,279 | 41,999 | | | 0.0 | 4.2 | 2.0 | 0.3 | 0.8 | 1.5 | 1.5 |
| ACCTS REC | 152,958 | 165,069 | 193,586 | 173,254 | 169,343 | | | 1.9 | 2.1 | 2.8 | 2.9 | 3.2 | 2.6 | 2.7 |
| INVENTORY | 96,627 | 76,678 | 108,514 | 147,542 | 146,826 | | | 1.2 | 1.0 | 1.6 | 2.4 | 2.8 | 1.8 | 1.8 |
| OTH CURRENT | 11,731 | 99,234 | 4,892 | 4,326 | 3,884 | | | 0.1 | 1.3 | 0.1 | 0.1 | 0.1 | 0.3 | 0.4 |
| TOTAL CURR | 262,207 | 669,011 | 446,888 | 342,401 | 362,052 | | | 3.2 | 8.5 | 6.4 | 5.7 | 6.9 | 6.1 | 6.4 |
| | -60.8 | 49.7 | 30.5 | -5.4 | 30.3 | -1.1 | 13.6 | | | | | | | |
| OTH ASSETS | 232,076 | 225,888 | 204,199 | 230,960 | 210,518 | | | 2.9 | 2.9 | 2.9 | 3.8 | 4.0 | 3.3 | 2.4 |
| TOTAL ASSETS | 8,136,725 | 7,829,390 | 6,990,332 | 6,056,367 | 5,274,008 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 3.9 | 12.0 | 15.4 | 14.8 | 10.0 | 11.1 | 12.0 | | | | | | | |
| COMMON EQ | 2,866,739 | 2,725,794 | 2,406,793 | 2,157,811 | 1,783,847 | | | 35.2 | 34.8 | 34.4 | 35.6 | 33.8 | 34.8 | 34.5 |
| | 5.2 | 13.3 | 11.5 | 21.0 | 4.8 | 11.0 | 12.7 | | | | | | | |
| PREF STOCK | 341,319 | 341,348 | 292,327 | 243,518 | 243,518 | | | 4.2 | 4.4 | 4.2 | 4.0 | 4.6 | 4.3 | 7.4 |
| | 0.0 | 16.8 | 20.0 | 0.0 | 0.0 | 7.0 | 9.8 | | | | | | | |
| LT DEBT | 2,865,105 | 2,808,643 | 2,500,767 | 2,091,000 | 1,931,597 | | | 35.2 | 35.9 | 35.8 | 34.5 | 36.6 | 35.6 | 36.1 |
| | 2.0 | 12.3 | 19.6 | 8.3 | 8.0 | 9.9 | 11.7 | | | | | | | |
| TOTAL CAP | 6,073,163 | 5,875,785 | 5,199,887 | 4,492,329 | 3,958,962 | | | 74.6 | 75.0 | 74.4 | 74.2 | 75.1 | 74.7 | 78.0 |
| | 3.4 | 13.0 | 15.8 | 13.5 | 6.0 | 10.2 | 11.9 | | | | | | | |
| ST DEBT | 112,053 | 34,213 | 74,427 | 137,826 | 91,329 | | | 1.4 | 0.4 | 1.1 | 2.3 | 1.7 | 1.4 | 1.6 |
| OTH CURRENT | 653,297 | 722,349 | 604,184 | 514,182 | 468,037 | | | 8.0 | 9.2 | 8.6 | 8.5 | 8.9 | 8.7 | 6.8 |
| TOTAL CURR | 765,350 | 756,562 | 678,611 | 652,008 | 559,366 | | | 9.4 | 9.7 | 9.7 | 10.8 | 10.6 | 10.0 | 8.4 |
| | 1.2 | 11.5 | 4.1 | 16.6 | 28.6 | 12.0 | 6.3 | | | | | | | |
| ACC DEF TAX | 725,192 | 631,503 | 547,364 | 485,097 | 423,415 | | | 8.9 | 8.1 | 7.8 | 8.0 | 8.0 | 8.2 | 7.7 |
| | 14.8 | 15.4 | 12.8 | 14.6 | 33.3 | 18.0 | 18.6 | | | | | | | |
| ACC ITC | 530,292 | 504,136 | 474,123 | 384,940 | 287,088 | | | 6.5 | 6.4 | 6.8 | 6.4 | 5.4 | 6.3 | 5.4 |
| | 5.2 | 6.3 | 23.2 | 34.1 | -0.9 | 12.9 | 11.3 | | | | | | | |
| OTH LIAB | 42,728 | 61,404 | 90,347 | 41,993 | 45,177 | | | 0.5 | 0.8 | 1.3 | 0.7 | 0.9 | 0.8 | 0.5 |
| LIAB AND EQ | 8,136,725 | 7,829,390 | 6,990,332 | 6,056,367 | 5,274,008 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

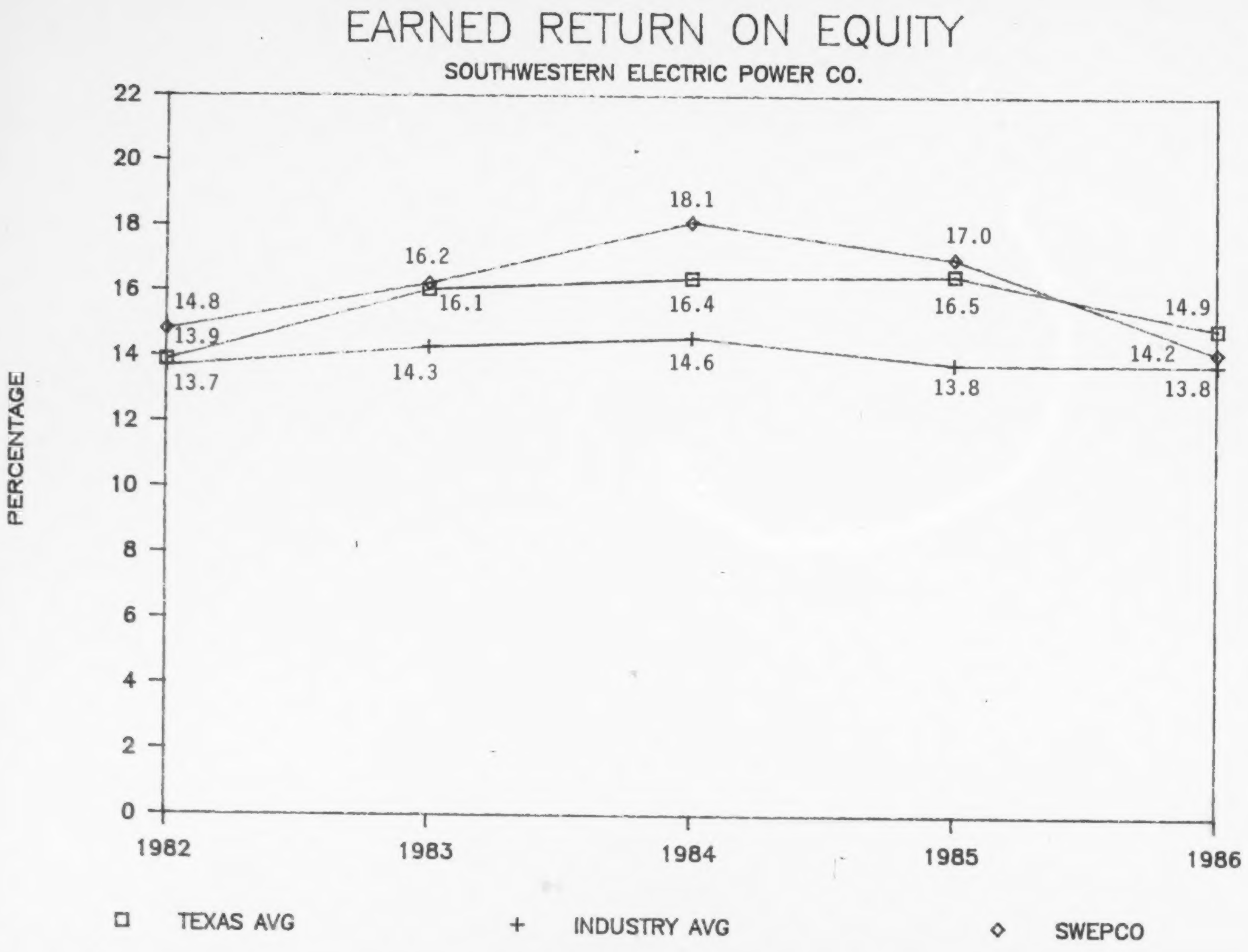
## Section VI - Southwestern Electric Power Company

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1981-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Megawatt Peak Demand 1982-1986
11. Fuel Mix 1982-1986
12. Operating Data 1982-1986
13. Income Statement Analysis 1982-1986
14. Balance Sheet Analysis 1982-1986

## ALLOWED RETURN ON EQUITY

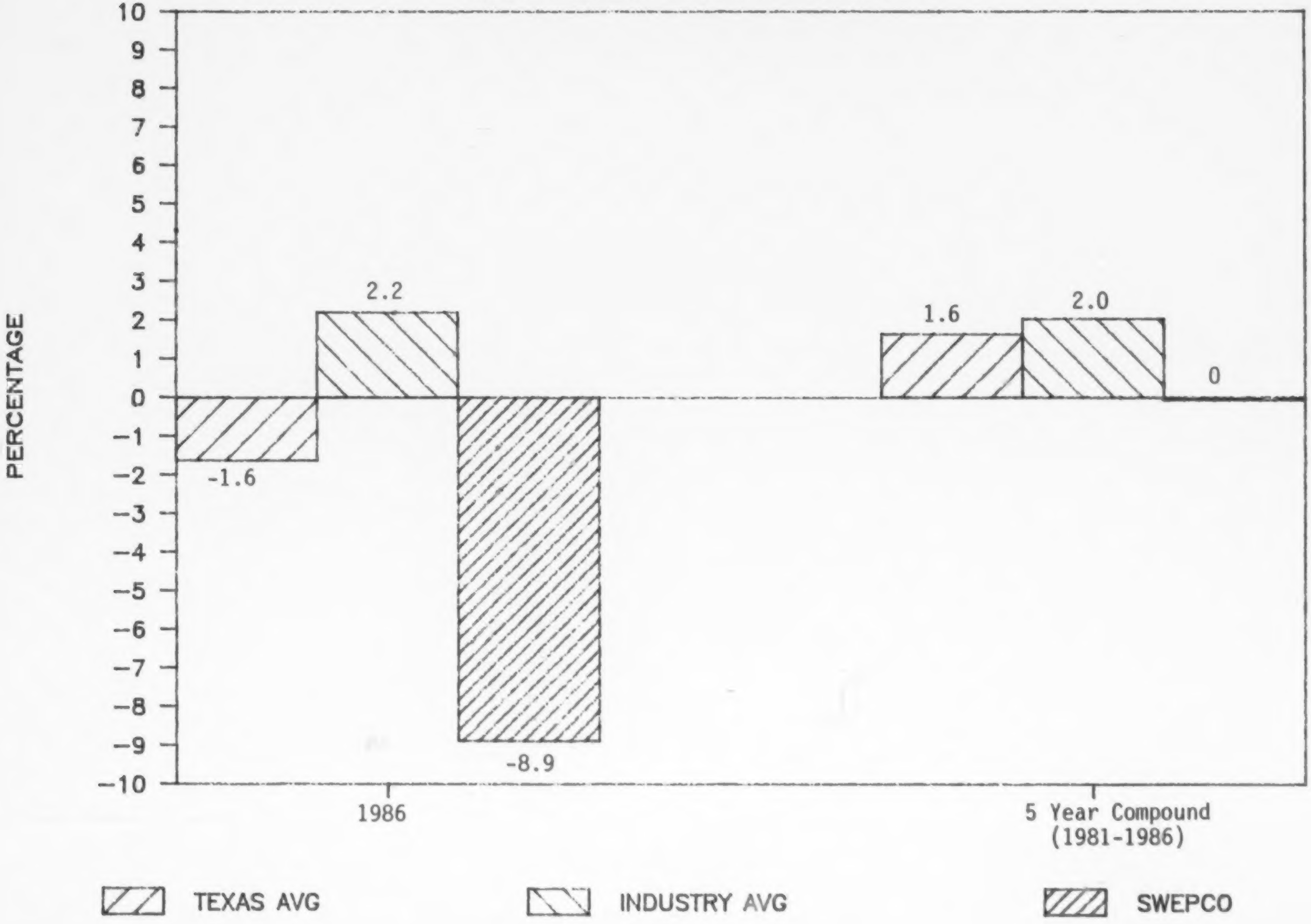
SOUTHWESTERN ELECTRIC POWER CO.




EARNED RETURN ON EQUITY
SOUTHWESTERN ELECTRIC POWER CO.
PERCENTAGE
0
2
4
6
8
10
12
14
16
18
20
22
1982
1983
1984
1985
1986
14.8
13.9
13.7
16.2
16.1
14.3
18.1
16.4
14.6
17.0
16.5
13.8
14.9
14.2
13.8
□ TEXAS AVG
+ INDUSTRY AVG
◇ SWEPCO

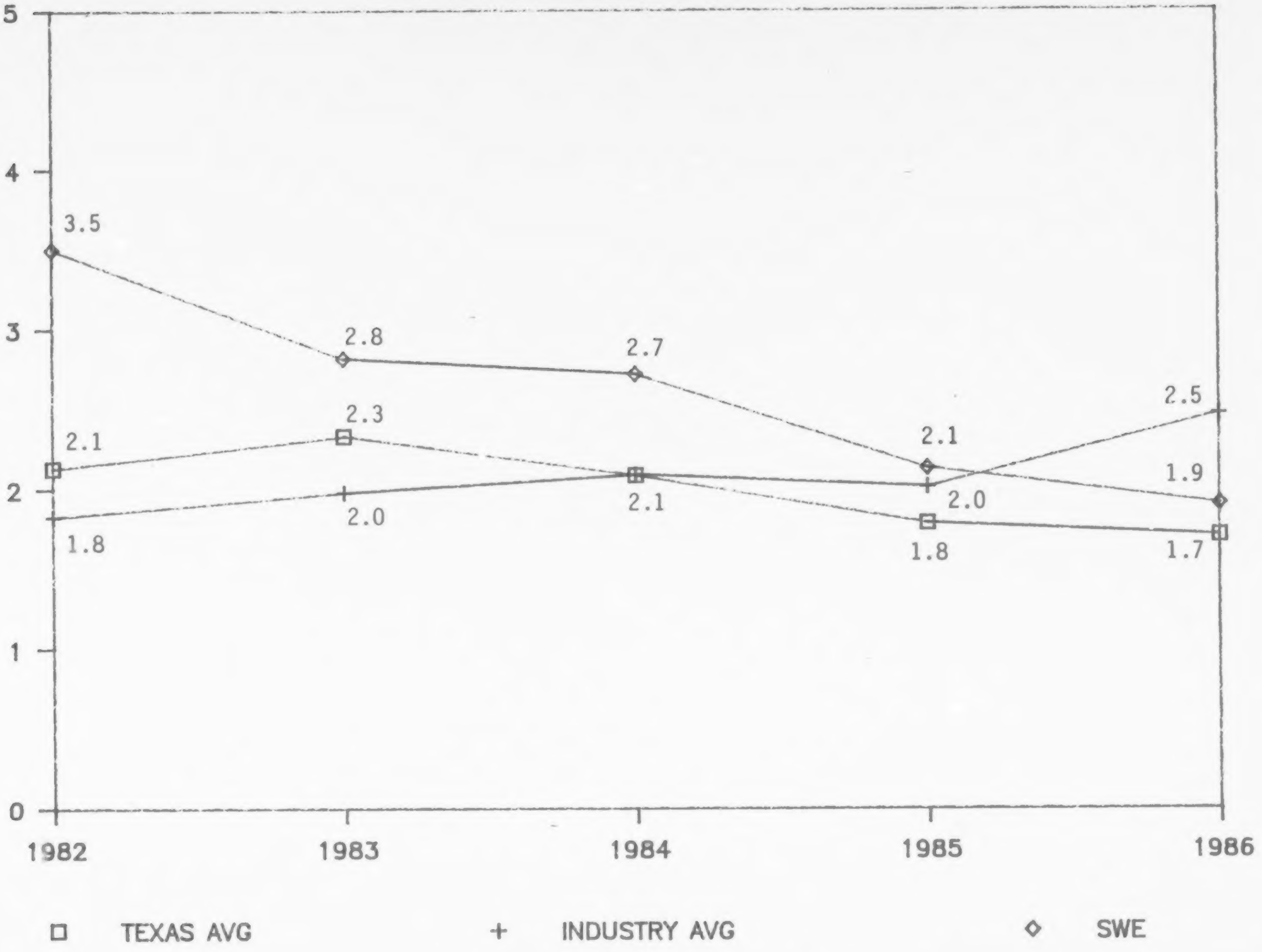
# MWH SALES GROWTH

## SOUTHWESTERN ELECTRIC POWER CO.



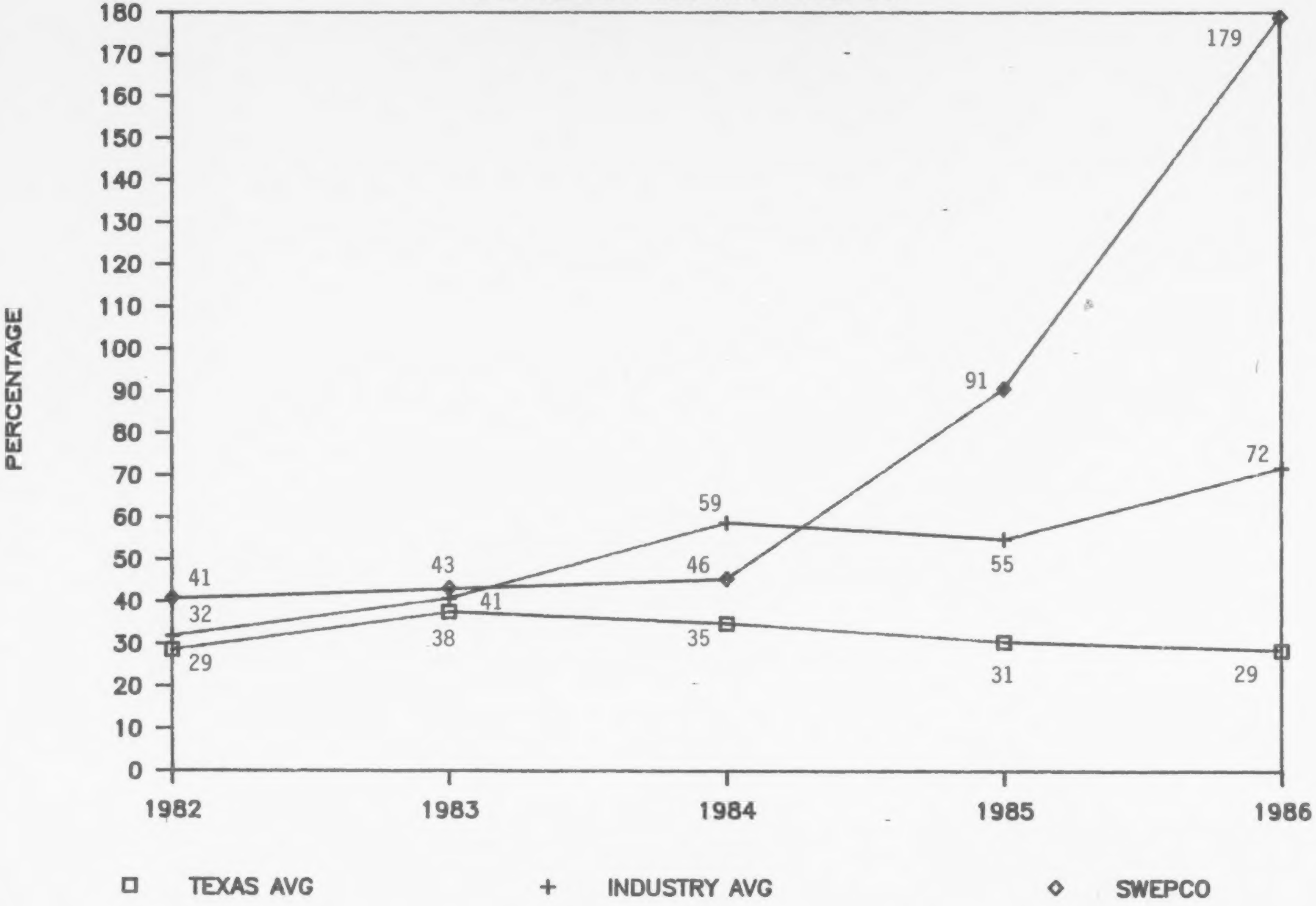
# CASH FLOW COVERAGE OF DIVIDENDS

## SOUTWESTERN ELECTRIC POWER CO.



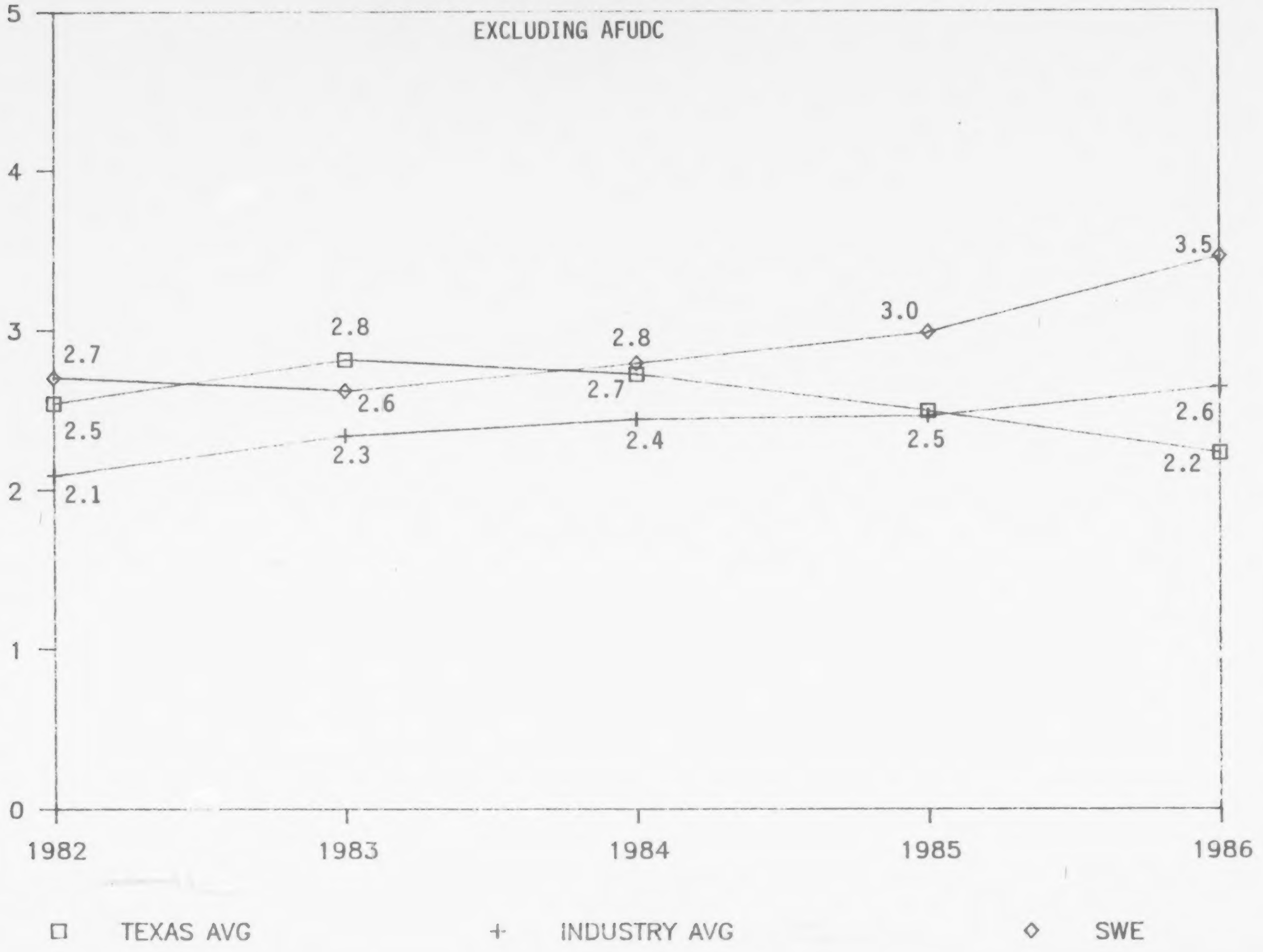
# FUNDS GENERATED INTERNALLY (%)

**SOUTHWESTERN ELECTRIC POWER CO.**



# PRE–TAX INTEREST COVERAGE

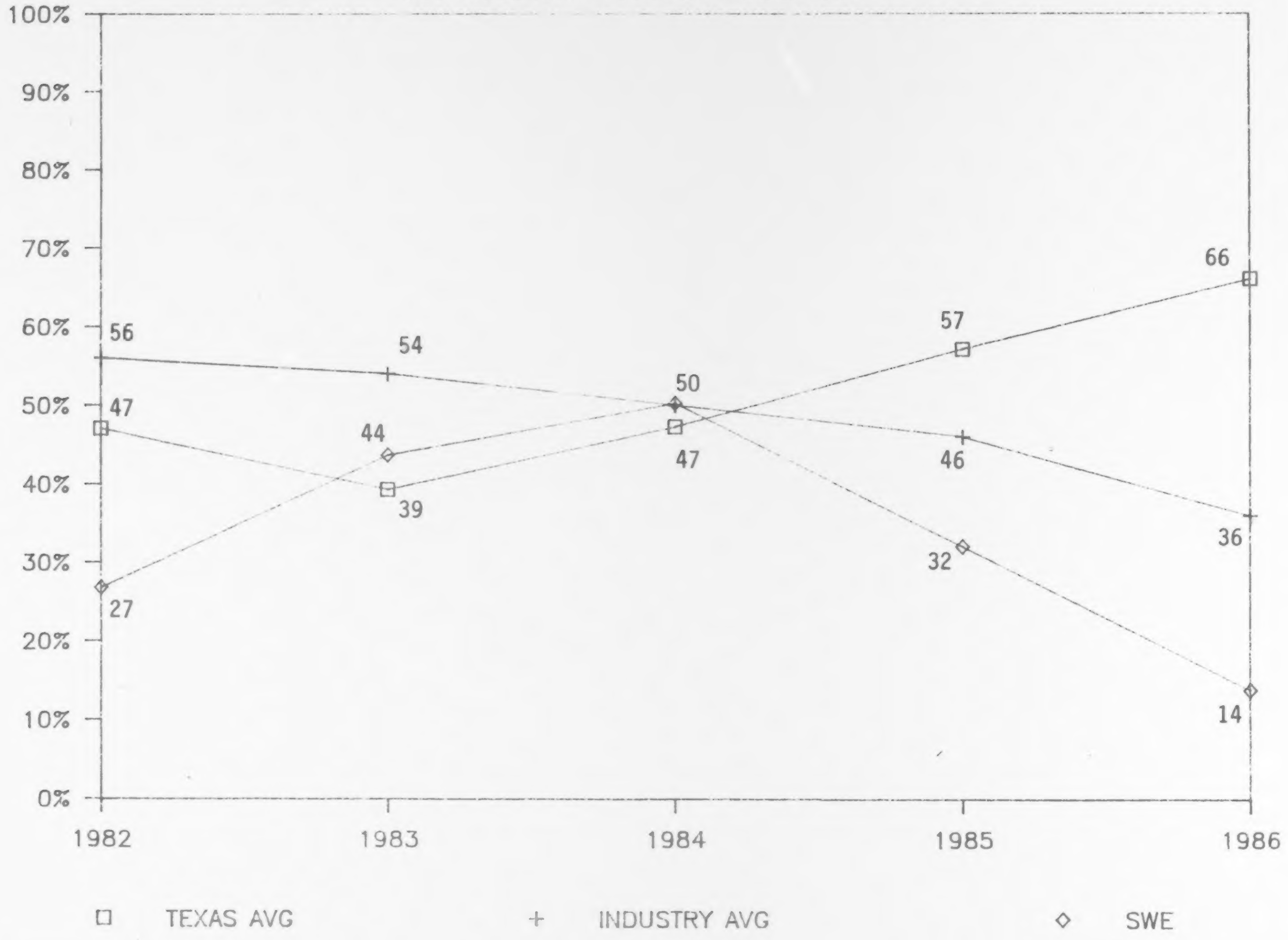
## SOUTHWESTERN ELECTRIC POWER CO.



EXCLUDING AFUDC

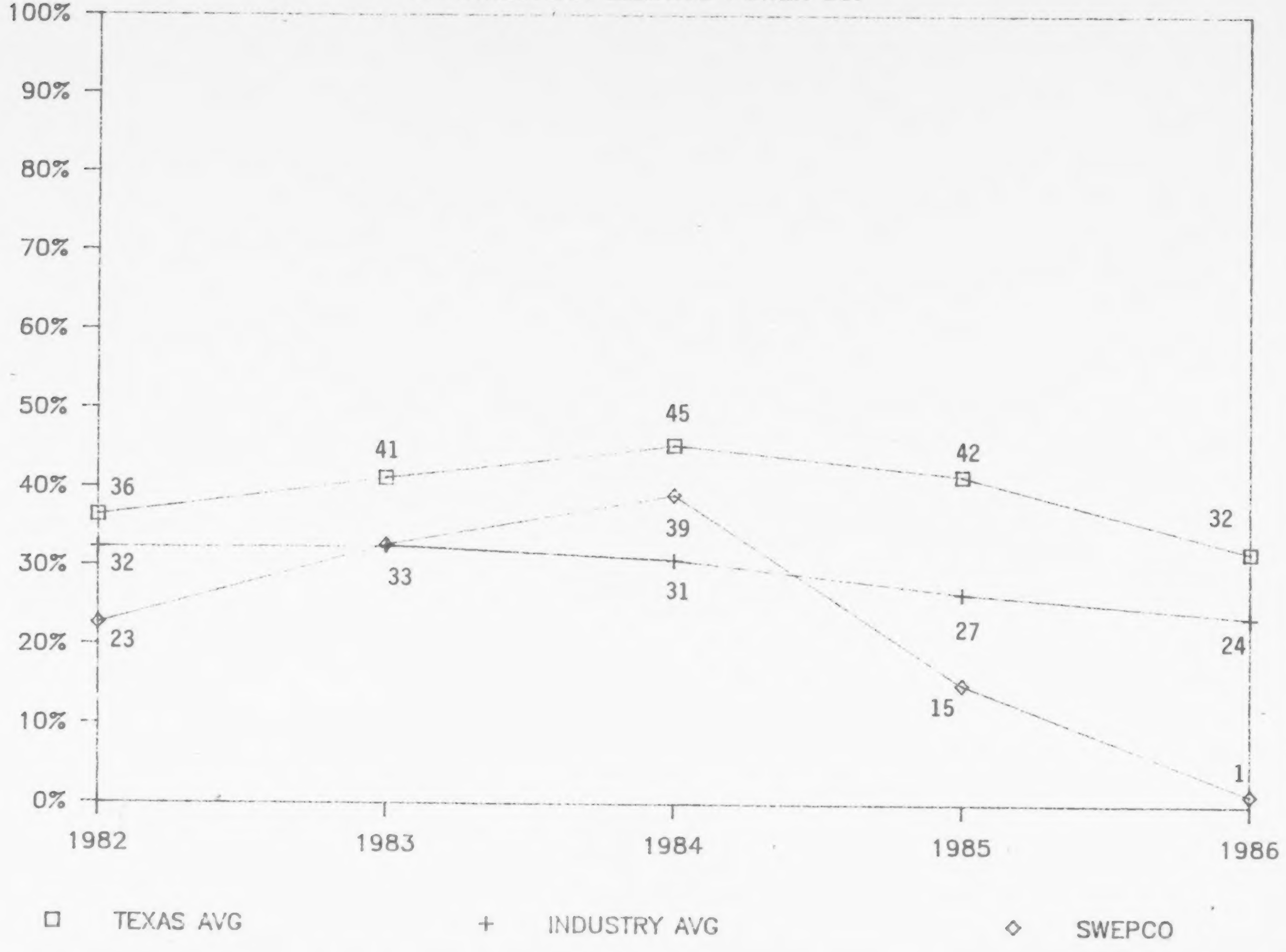
# RATIO OF AFUDC TO INCOME TO COMMON

SOUTHWESTERN ELECTRIC POWER CO.



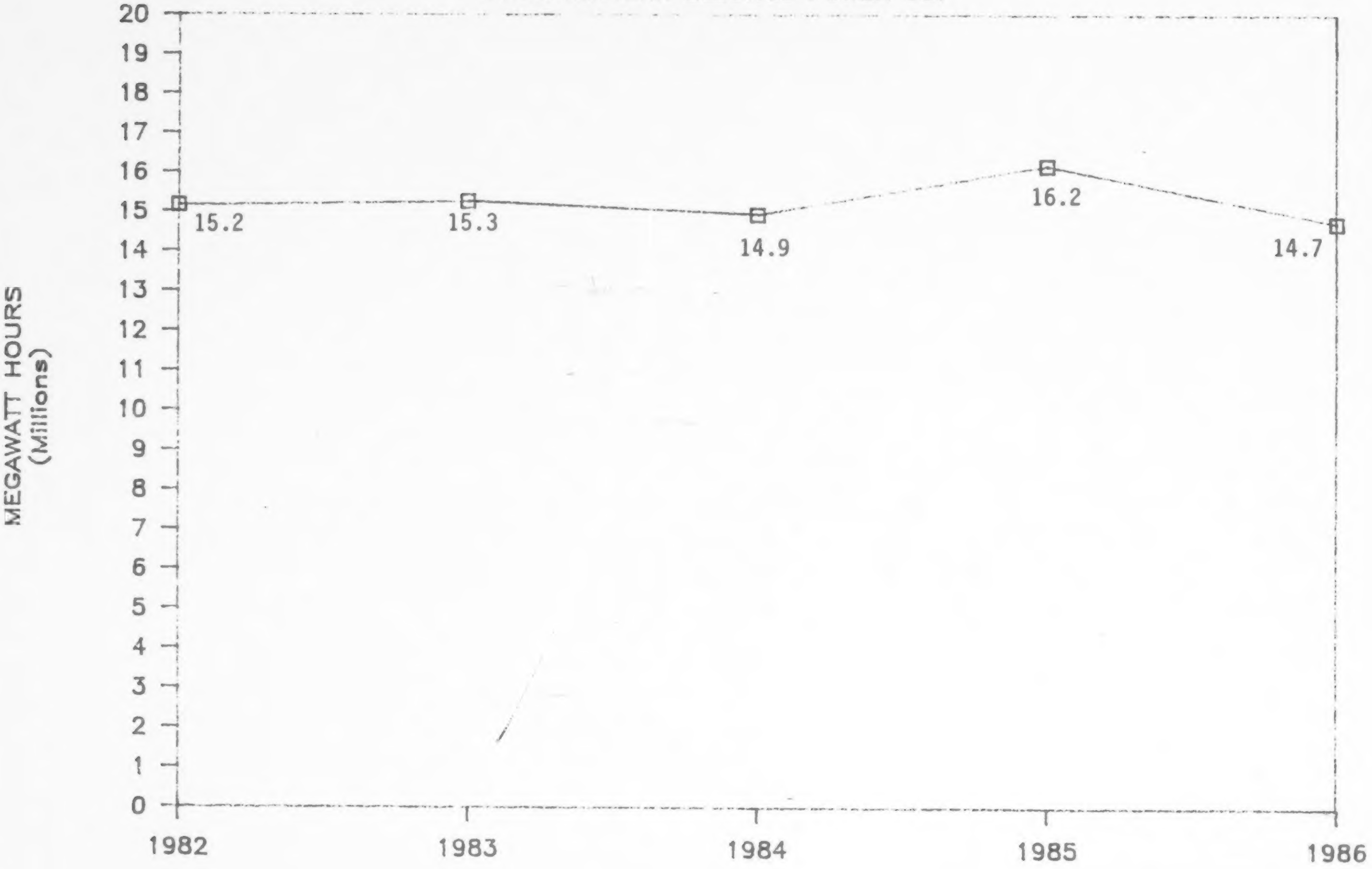
# CWIP AS A % OF NET PLANT

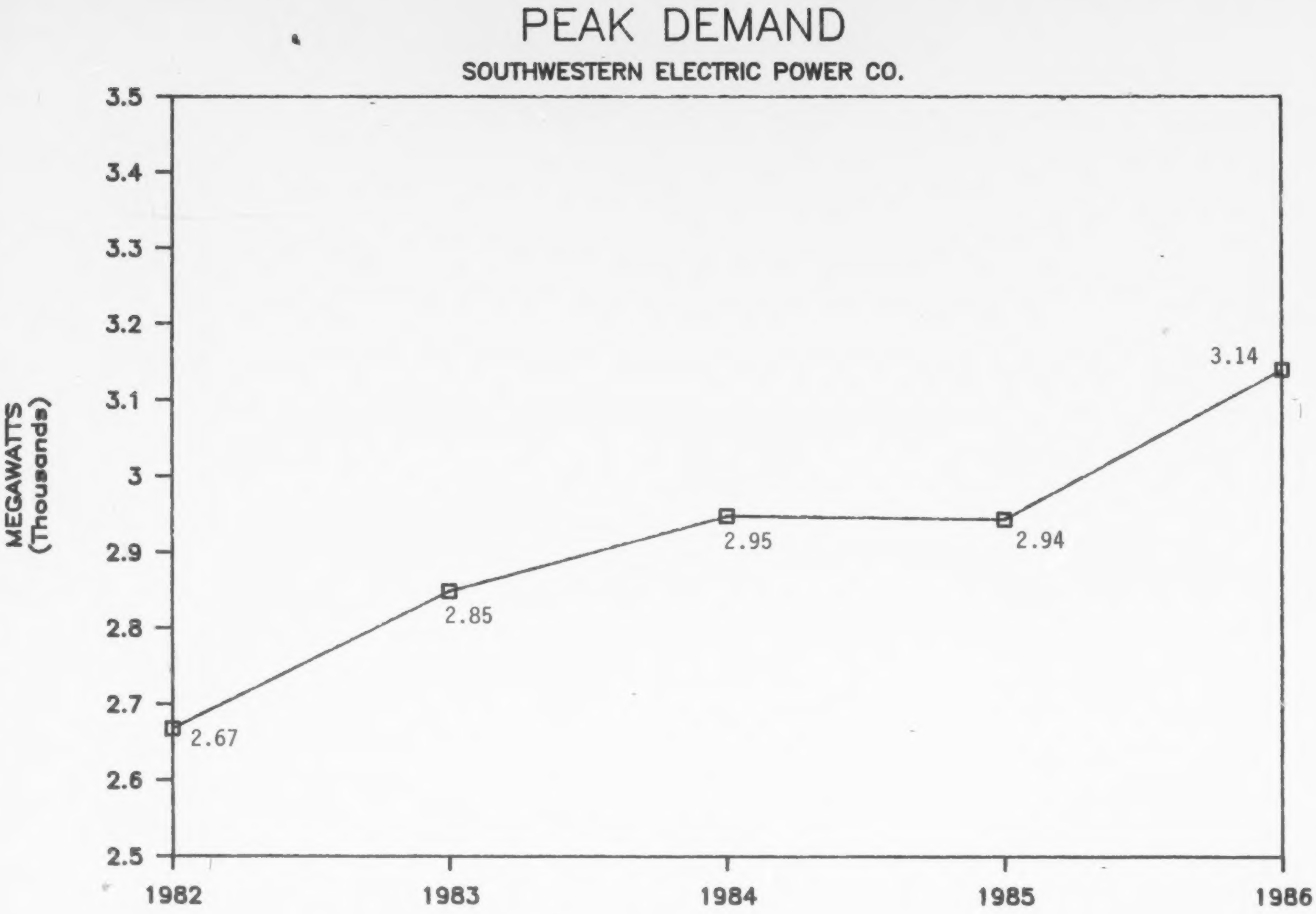
SOUTHWESTERN ELECTRIC POWER CO.



# MWH SALES

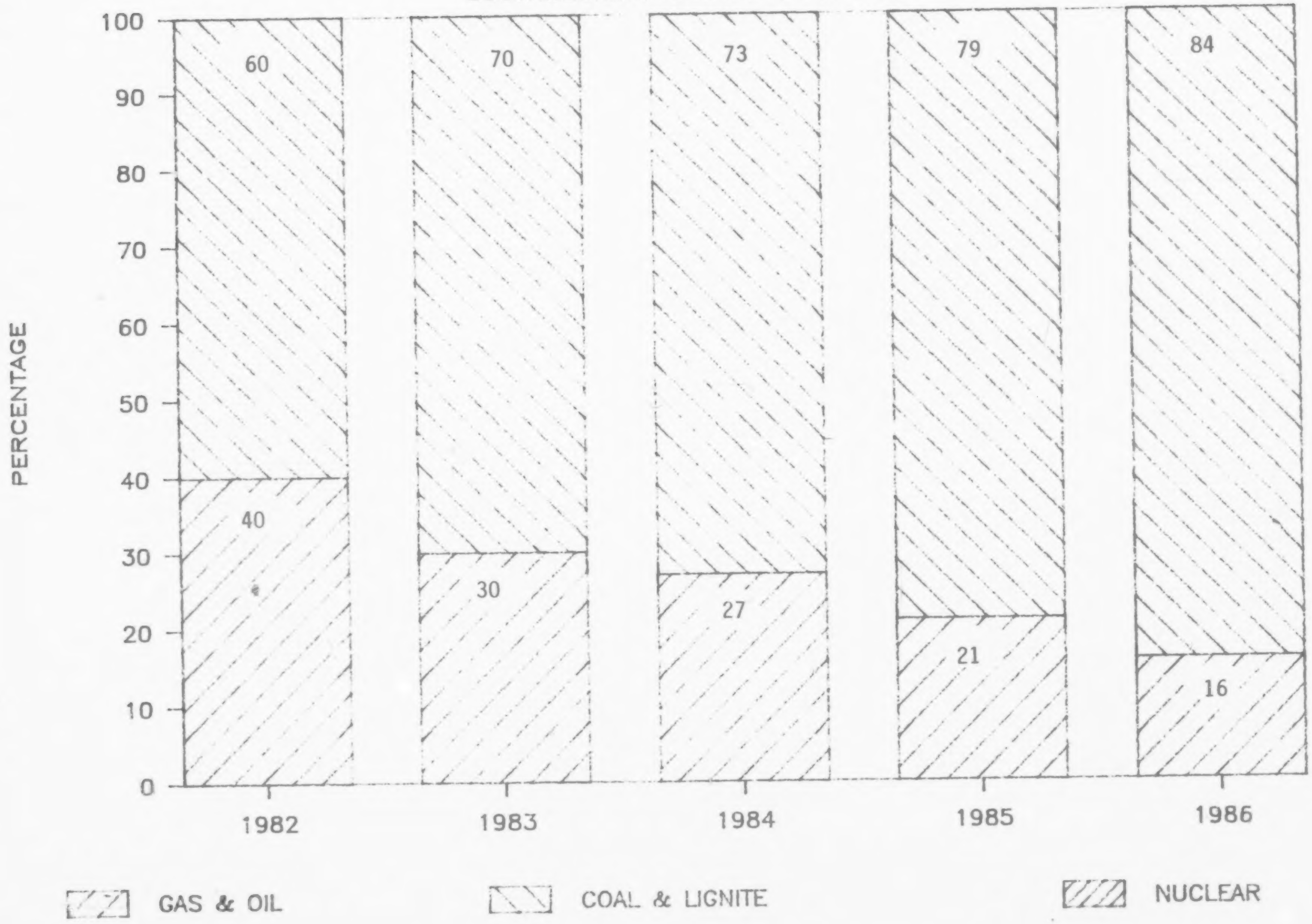
SOUTHWESTERN ELECTRIC POWER CO.




PEAK DEMAND
SOUTHWESTERN ELECTRIC POWER CO.
MEGAWATTS
(Thousands)
3.5
3.4
3.3
3.2
3.1
3
2.9
2.8
2.7
2.6
2.5
2.67
2.85
2.95
2.94
3.14
1982
1983
1984
1985
1986

# FUEL MIX

SOUTHWESTERN ELECTRIC POWER CO.



TEXAS PUC - COMPANY ANALYSIS REPORT
SOUTHWESTERN ELECTRIC POWER CO (SWP)
FOR THE FIVE YEARS ENDED 1986

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES (000) | 14,747 | 16,186 | 14,942 | 15,271 | 15,156 | -8.9 | 8.3 | -2.2 | 0.8 | 2.4 | -0.1 | 1.6 |
| MW PEAK DEMAND | 3,140 | 2,943 | 2,948 | 2,849 | 2,668 | 6.7 | -0.2 | 3.5 | 6.8 | -2.0 | 2.9 | 2.7 |
| RESERVE MARGIN | 43.0 | 43.8 | 27.0 | 31.8 | 34.6 | | | | | | | |
| RES CENTS PER KWH | 6.7 | 6.7 | 6.5 | 6.1 | 5.2 | -0.8 | 3.1 | 6.5 | 17.9 | 27.1 | 10.3 | 2.9 |
| RES KWH PER CUST PER MO | 924 | 928 | 901 | 871 | 909 | -0.4 | 3.1 | 3.4 | -4.2 | 4.1 | 1.1 | 0.6 |
| CONSTR EXP (000 $) | 46,125 | 100,389 | 200,354 | 202,200 | 233,348 | -54.1 | -49.9 | -0.9 | -13.3 | 70.0 | -19.6 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 15.7 | 21.0 | 27.0 | 30.0 | 40.0 | | | | | | | |
| COAL/LIGNITE | 84.3 | 79.0 | 73.0 | 70.0 | 60.0 | | | | | | | |

## FINANCIAL DATA

| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE ($) | 3.75 | 3.61 | 3.43 | 3.02 | 2.82 | 3.9 | 5.2 | 13.6 | 7.1 | 11.0 | 8.1 | -0.8 |
| DIVIDENDS PER SHARE ($) | 2.02 | 2.02 | 1.90 | 1.78 | 1.68 | 0.0 | 6.3 | 6.7 | 6.0 | 6.3 | 5.0 | -0.8 |
| STOCK PRICE ($) | 34.25 | 27.50 | 22.75 | 19.50 | 17.63 | 24.5 | 20.9 | 16.7 | 10.6 | 27.0 | 19.8 | 8.8 |
| BOOK VALUE PER SHARE ($) | 24.89 | 23.29 | 21.68 | 20.21 | 19.01 | 6.9 | 7.4 | 7.3 | 6.3 | 5.6 | 6.7 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 14.2 | 17.0 | 18.1 | 16.2 | 14.8 | 16.1 | 15.6 |
| AFC TO EARN | 13.8 | 32.1 | 50.3 | 43.7 | 26.8 | 33.4 | 51.4 |
| YIELD | 6.5 | 8.0 | 9.0 | 9.6 | 10.7 | 8.8 | 9.1 |
| PAYOUT RATIO | 53.9 | 56.0 | 55.4 | 58.9 | 59.6 | 56.7 | 61.4 |
| MARKET TO BOOK | 137.6 | 118.1 | 104.9 | 96.5 | 92.7 | 110.0 | 106.4 |
| PE RATIO (X) | 8.2 | 7.0 | 6.2 | 6.1 | 5.6 | 6.6 | 6.8 |
| INTERNAL GEN | 178.8 | 90.7 | 45.6 | 43.3 | 40.9 | 79.9 | 32.1 |
| INT COV INCL AFC (X) | 3.7 | 3.4 | 3.5 | 3.1 | 3.0 | 3.4 | 3.3 |
| INT COV EXCL AFC (X) | 3.5 | 3.0 | 2.8 | 2.6 | 2.7 | 2.9 | 2.6 |
| CASH FLOW COV OF DIV | 1.9 | 2.1 | 2.7 | 2.8 | 3.5 | 2.6 | 2.0 |
| LONG TERM DEBT RATIO | 45.4 | 46.2 | 46.1 | 42.1 | 46.0 | 45.1 | 46.3 |
| COMMON EQUITY RATIO | 46.9 | 46.2 | 43.4 | 45.8 | 44.5 | 45.4 | 44.2 |
| PREFERRED STOCK RATIO | 7.8 | 7.6 | 10.5 | 12.1 | 9.5 | 9.5 | 9.5 |
| EFFECTIVE TAX RATE | 41.2 | 37.6 | 35.7 | 39.2 | 41.6 | 39.1 | 31.8 |
| BOND RATING | Aa2/AA- | Aa2/AA- | Aa2/AA | Aa2/AA | Aa2/AA | | |
| PCT TPUC JURIS SALES | 37.0 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
SOUTHWESTERN ELECTRIC POWER CO (SWP)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 723,292 | 779,558 | 754,414 | 713,922 | 614,872 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -7.2 | 3.3 | 5.7 | 16.1 | 30.3 | 8.9 | 4.8 | | | | | | | |
| FUEL & PP | 305,583 | 374,482 | 403,614 | 392,973 | 331,388 | | | 42.2 | 48.0 | 53.5 | 55.0 | 53.9 | 50.5 | 51.2 |
| | -18.4 | -7.2 | 2.7 | 18.6 | 44.1 | 5.8 | 1.5 | | | | | | | |
| O & M | 100,991 | 92,857 | 81,506 | 74,179 | 65,581 | | | 14.0 | 11.9 | 10.8 | 10.4 | 10.7 | 11.5 | 16.1 |
| | 8.8 | 13.9 | 9.9 | 13.1 | 16.1 | 12.3 | 9.7 | | | | | | | |
| DEPR | 63,691 | 57,685 | 42,722 | 40,526 | 37,816 | | | 8.8 | 7.4 | 5.7 | 5.7 | 6.2 | 6.7 | 5.4 |
| | 10.4 | 35.0 | 5.4 | 7.2 | 17.5 | 14.6 | 10.0 | | | | | | | |
| CURR FIT | 34,482 | 19,169 | 13,468 | 9,531 | -1,404 | | | 4.8 | 2.5 | 1.8 | 1.3 | -0.2 | 2.0 | 2.2 |
| DEF TAX | 37,469 | 41,902 | 35,902 | 35,275 | 25,413 | | | 5.2 | 5.4 | 4.8 | 4.9 | 4.1 | 4.9 | 2.8 |
| ITC | -3,645 | 1,218 | 14,099 | 12,023 | 22,687 | | | -0.5 | 0.2 | 1.9 | 1.7 | 3.7 | 1.4 | 1.5 |
| FIT | 68,306 | 62,289 | 63,469 | 56,829 | 46,696 | | | 9.4 | 8.0 | 8.4 | 8.0 | 7.6 | 8.3 | 6.4 |
| | 9.7 | -1.9 | 11.7 | 21.7 | 7.4 | 9.5 | 5.1 | | | | | | | |
| OTH TAX | 39,728 | 36,924 | 28,916 | 26,071 | 22,944 | | | 5.5 | 4.7 | 3.8 | 3.7 | 3.7 | 4.3 | 4.6 |
| | 7.6 | 27.7 | 10.9 | 13.6 | 18.6 | 15.5 | 9.7 | | | | | | | |
| OPER INC | 144,993 | 155,321 | 134,187 | 123,344 | 110,447 | | | 20.0 | 19.9 | 17.8 | 17.3 | 18.0 | 18.6 | 16.1 |
| | -6.6 | 15.7 | 8.8 | 11.7 | 22.2 | 9.9 | 6.3 | | | | | | | |
| AFC | 12,219 | 33,484 | 52,488 | 37,207 | 17,460 | | | 1.7 | 4.3 | 7.0 | 5.2 | 2.8 | 4.2 | 6.4 |
| | -63.5 | -36.2 | 41.1 | 113.1 | 1.4 | -6.6 | 26.7 | | | | | | | |
| OTH INC | 2,287 | 821 | 1,889 | 4,557 | 6,647 | | | 0.3 | 0.1 | 0.3 | 0.6 | 1.1 | 0.5 | 0.1 |
| INTEREST | 62,376 | 73,195 | 71,542 | 70,547 | 60,593 | | | 8.6 | 9.4 | 9.5 | 9.9 | 9.9 | 9.4 | 8.9 |
| | -14.8 | 2.3 | 1.4 | 16.4 | 36.9 | 7.1 | 12.6 | | | | | | | |
| NET INCOME | 97,123 | 116,431 | 117,022 | 94,561 | 73,961 | | | 13.4 | 14.9 | 15.5 | 13.2 | 12.0 | 13.8 | 13.7 |
| | -16.6 | -0.5 | 23.8 | 27.9 | 11.8 | 8.0 | 12.1 | | | | | | | |
| PREF DIV | 8,804 | 12,056 | 12,692 | 9,503 | 8,852 | | | 1.2 | 1.5 | 1.7 | 1.3 | 1.4 | 1.4 | 1.5 |
| | -27.0 | -5.0 | 33.6 | 7.4 | 0.0 | -0.1 | 10.9 | | | | | | | |
| INC TO COM | 88,319 | 104,375 | 104,330 | 85,058 | 65,109 | | | 12.2 | 13.4 | 13.8 | 11.9 | 10.6 | 12.4 | 12.1 |
| | -15.4 | 0.0 | 22.7 | 30.6 | 13.7 | 9.0 | 12.3 | | | | | | | |
| COMMON DIV | 91,137 | 80,630 | 53,249 | 48,190 | 38,173 | | | 12.6 | 10.3 | 7.1 | 6.8 | 6.2 | 8.6 | 7.8 |
| | 13.0 | 51.4 | 10.5 | 26.2 | 12.3 | 21.8 | 13.6 | | | | | | | |
| INC TO RE | -2,818 | 23,745 | 51,081 | 36,868 | 26,936 | | | -0.4 | 3.0 | 6.8 | 5.2 | 4.4 | 3.8 | 4.3 |

TEXAS PUC - COMPANY ANALYSIS REPORT
SOUTHWESTERN ELECTRIC POWER CO (SWP)
FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

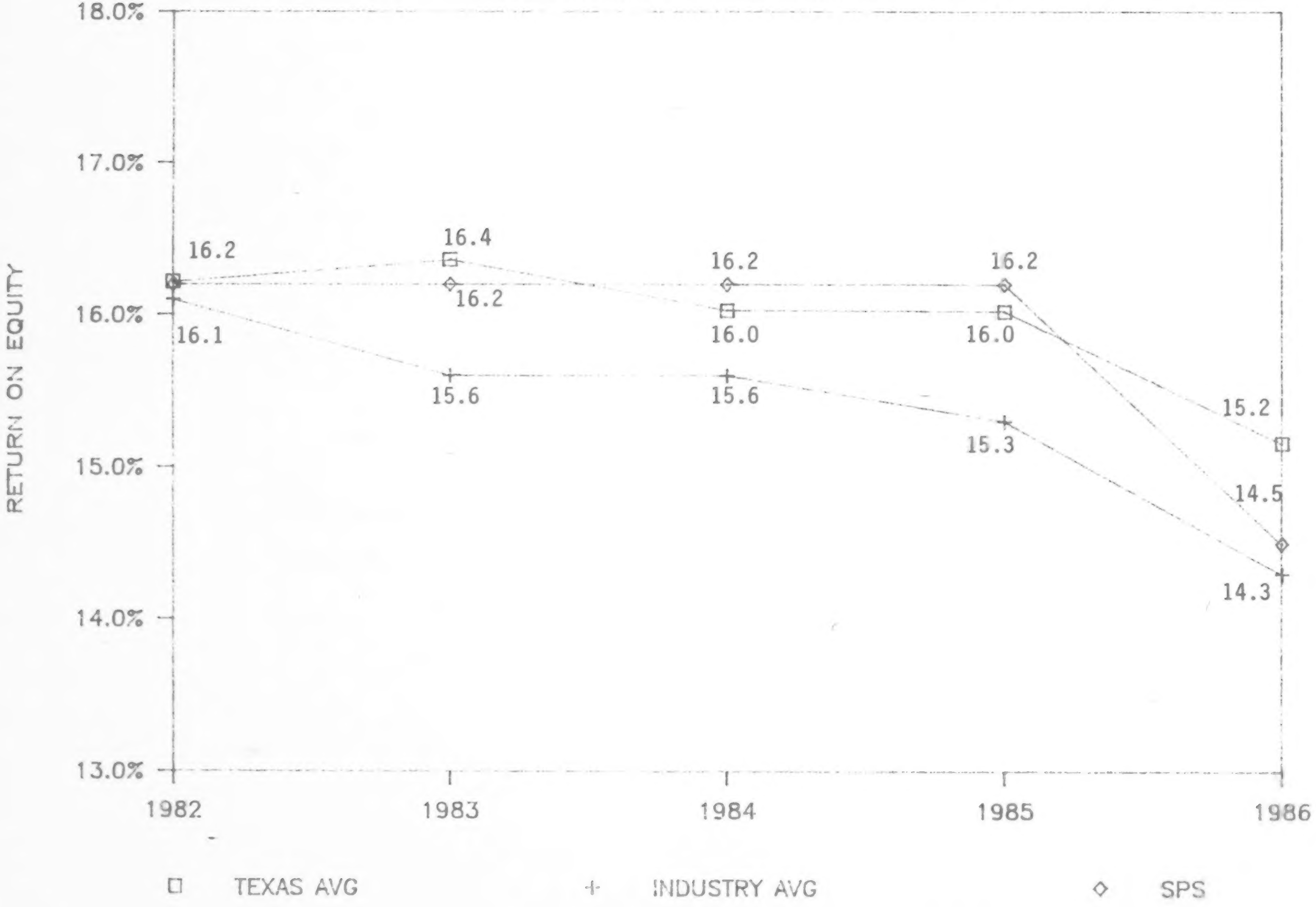
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 2,201,237 | 1,909,362 | 1,429,340 | 1,360,519 | 1,324,069 | | | 116.7 | 102.7 | 76.6 | 80.6 | 88.9 | 93.1 | 74.5 |
| CWIP & OTH | 23,383 | 262,930 | 677,101 | 498,411 | 300,864 | | | 1.2 | 14.1 | 36.3 | 29.5 | 20.2 | 20.3 | 35.8 |
| TOTAL PLANT | 2,224,620 | 2,172,292 | 2,106,441 | 1,858,930 | 1,624,933 | | | 117.9 | 116.9 | 112.9 | 110.2 | 109.1 | 113.4 | 110.3 |
| ACCUM DEPR | 486,157 | 426,171 | 375,428 | 336,170 | 298,538 | | | 25.8 | 22.9 | 20.1 | 19.9 | 20.0 | 21.8 | 19.1 |
| NET PLANT | 1,738,463 | 1,746,121 | 1,731,013 | 1,522,760 | 1,326,395 | | | 92.2 | 93.9 | 92.8 | 90.2 | 89.1 | 91.6 | 91.2 |
| | -0.4 | 0.9 | 13.7 | 14.8 | 18.9 | 9.3 | 11.3 | | | | | | | |
| CASH & INV | 25,167 | 460 | 430 | 24,602 | 24,081 | | | 1.3 | 0.0 | 0.0 | 1.5 | 1.6 | 0.9 | 1.5 |
| ACCTS REC | 11,009 | 20,213 | 68,735 | 82,665 | 56,636 | | | 0.6 | 1.1 | 3.7 | 4.9 | 3.8 | 2.8 | 2.7 |
| INVENTORY | 95,155 | 72,217 | 49,833 | 43,120 | 64,052 | | | 5.0 | 3.9 | 2.7 | 2.6 | 4.3 | 3.7 | 1.8 |
| OTH CURRENT | 11,736 | 11,518 | 9,956 | 7,601 | 7,661 | | | 0.6 | 0.6 | 0.5 | 0.5 | 0.5 | 0.5 | 0.4 |
| TOTAL CURR | 143,067 | 104,408 | 128,954 | 157,988 | 152,430 | | | 7.6 | 5.6 | 6.9 | 9.4 | 10.2 | 7.9 | 6.4 |
| | 37.0 | -19.0 | -18.4 | 3.6 | 24.3 | 3.1 | 13.6 | | | | | | | |
| OTH ASSETS | 4,902 | 8,406 | 6,133 | 6,579 | 10,406 | | | 0.3 | 0.5 | 0.3 | 0.4 | 0.7 | 0.4 | 2.4 |
| TOTAL ASSETS | 1,886,432 | 1,858,935 | 1,866,100 | 1,687,327 | 1,489,231 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 1.5 | -0.4 | 10.6 | 13.3 | 19.5 | 8.6 | 12.0 | | | | | | | |
| COMMON EQ | 621,712 | 624,530 | 600,785 | 549,704 | 497,836 | | | 33.0 | 33.6 | 32.2 | 32.6 | 33.4 | 33.0 | 34.5 |
| | -0.5 | 4.0 | 9.3 | 10.4 | 30.7 | 10.3 | 12.7 | | | | | | | |
| PREF STOCK | 103,008 | 102,919 | 145,497 | 145,497 | 105,777 | | | 5.5 | 5.5 | 7.8 | 8.6 | 7.1 | 6.9 | 7.4 |
| | 0.1 | -29.3 | 0.0 | 37.6 | 0.0 | -0.5 | 9.8 | | | | | | | |
| LT DEBT | 602,276 | 623,867 | 637,404 | 504,456 | 515,030 | | | 31.9 | 33.6 | 34.2 | 29.9 | 34.6 | 32.8 | 36.1 |
| | -3.5 | -2.1 | 26.4 | -2.1 | 16.8 | 6.4 | 11.7 | | | | | | | |
| TOTAL CAP | 1,326,996 | 1,351,316 | 1,383,685 | 1,199,657 | 1,118,643 | | | 70.3 | 72.7 | 74.1 | 71.1 | 75.1 | 72.7 | 78.0 |
| | -1.8 | -2.3 | 15.3 | 7.2 | 20.6 | 7.4 | 11.9 | | | | | | | |
| ST DEBT | 10,170 | 3,617 | 23,461 | 52,723 | 5,198 | | | 0.5 | 0.2 | 1.3 | 3.1 | 0.3 | 1.1 | 1.6 |
| OTH CURRENT | 115,689 | 103,418 | 107,070 | 134,120 | 105,781 | | | 6.1 | 5.6 | 5.7 | 7.9 | 7.1 | 6.5 | 6.8 |
| TOTAL CURR | 125,859 | 107,035 | 130,531 | 186,843 | 110,979 | | | 6.7 | 5.8 | 7.0 | 11.1 | 7.5 | 7.6 | 8.4 |
| | 17.6 | -18.0 | -30.1 | 68.4 | 3.4 | 3.2 | 6.3 | | | | | | | |
| ACC DEF TAX | 310,744 | 274,106 | 226,623 | 189,666 | 160,471 | | | 16.5 | 14.7 | 12.1 | 11.2 | 10.8 | 13.1 | 7.7 |
| | 13.4 | 21.0 | 19.5 | 18.2 | 18.8 | 18.1 | 18.6 | | | | | | | |
| ACC ITC | 122,833 | 126,478 | 125,260 | 111,161 | 99,138 | | | 6.5 | 6.8 | 6.7 | 6.6 | 6.7 | 6.7 | 5.4 |
| | -2.9 | 1.0 | 12.7 | 12.1 | 29.7 | 9.9 | 11.3 | | | | | | | |
| OTH LIAB | 0 | 0 | 0 | 0 | 0 | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| LIAB AND EQ | 1,886,432 | 1,858,935 | 1,866,100 | 1,687,327 | 1,489,231 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section VII - Southwestern Public Service Company

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1981-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Megawatt Peak Demand 1982-1986
11. Fuel Mix 1982-1986
12. Operating Data 1982-1986
13. Income Statement Analysis 1982-1986
14. Balance Sheet Analysis 1982-1986

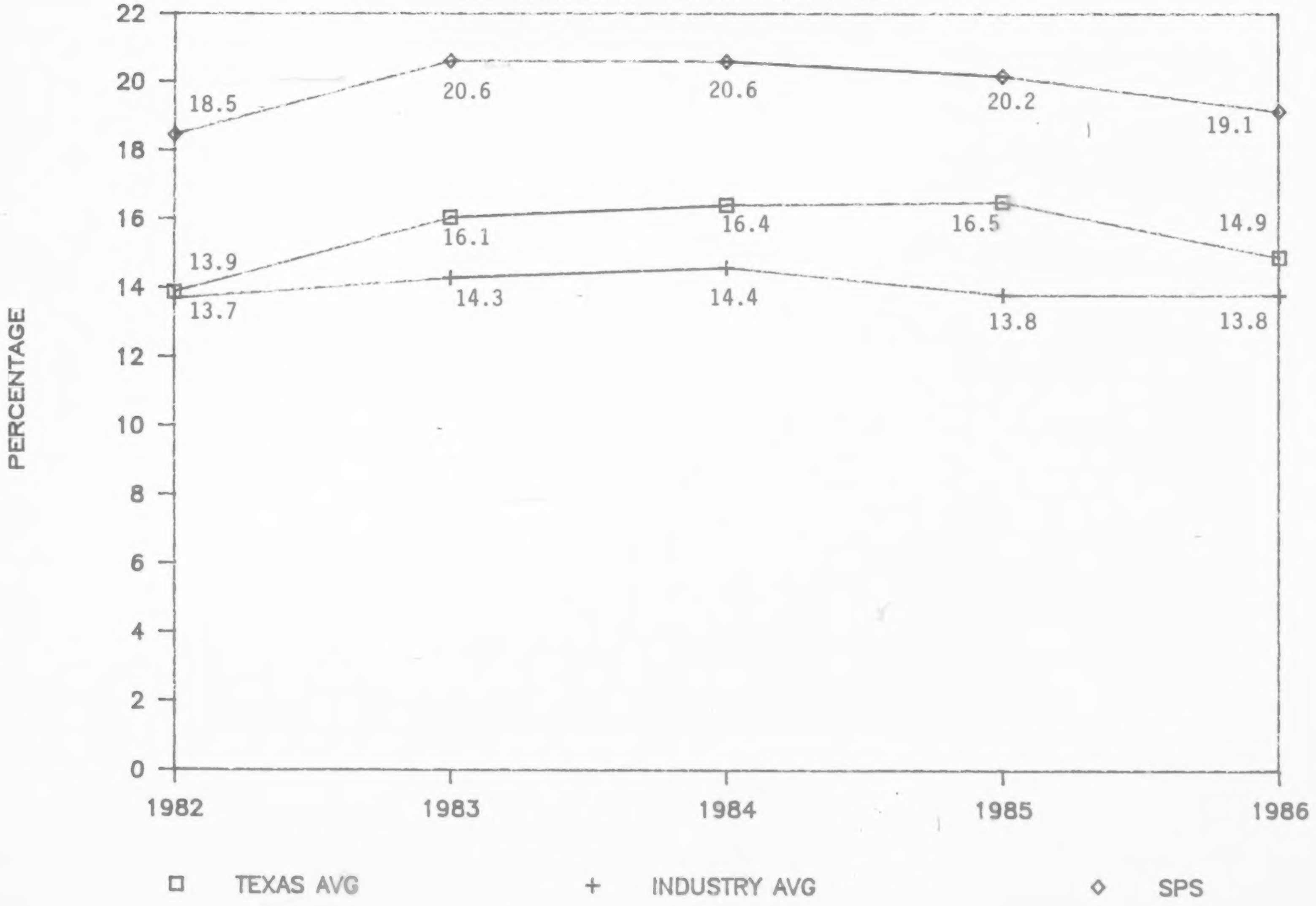
# ALLOWED RETURN ON EQUITY

## SOUTHWESTERN PUBLIC SERVICE



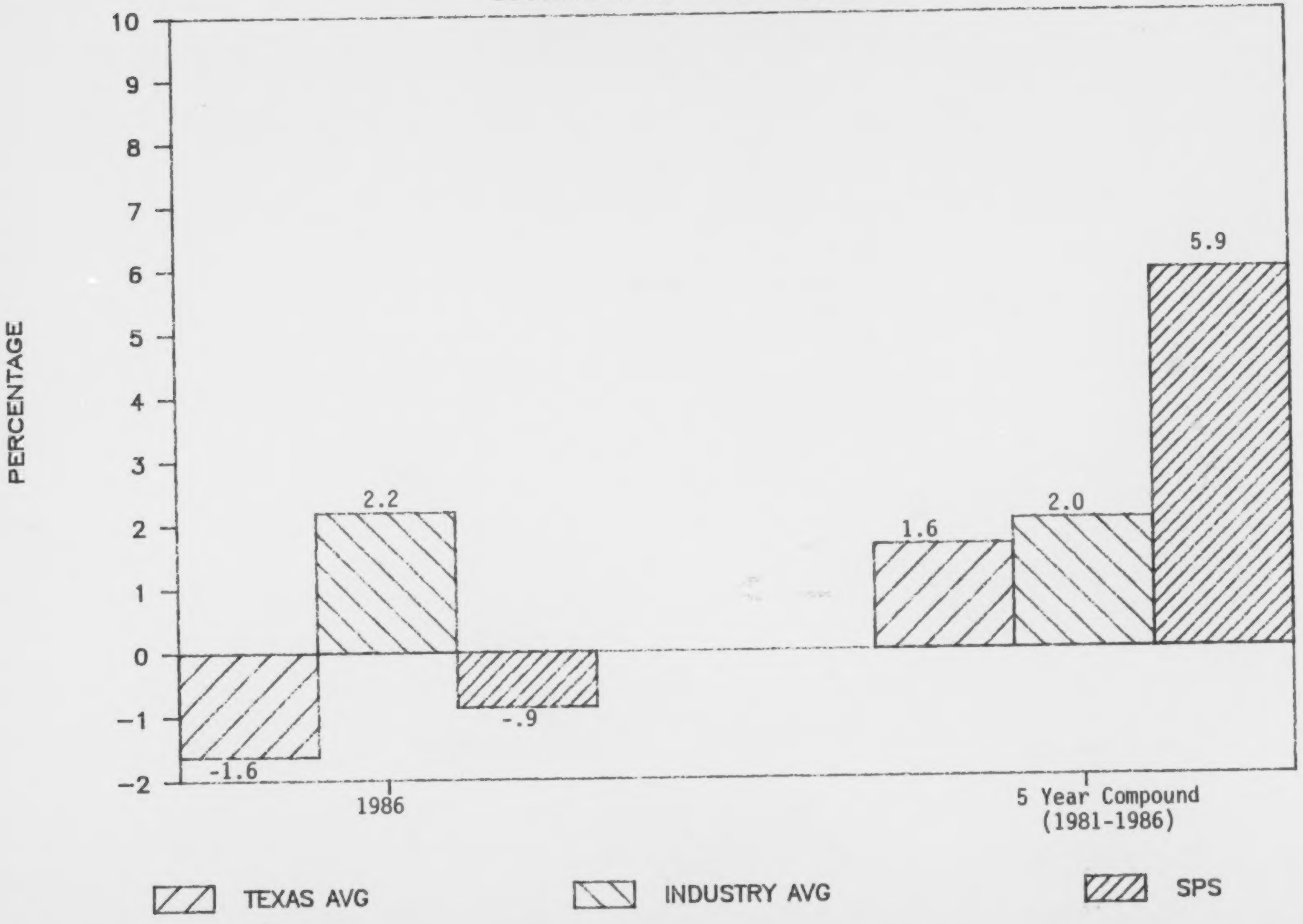
# EARNED RETURN ON EQUITY

## SOUTHWESTERN PUBLIC SERVICE CO.



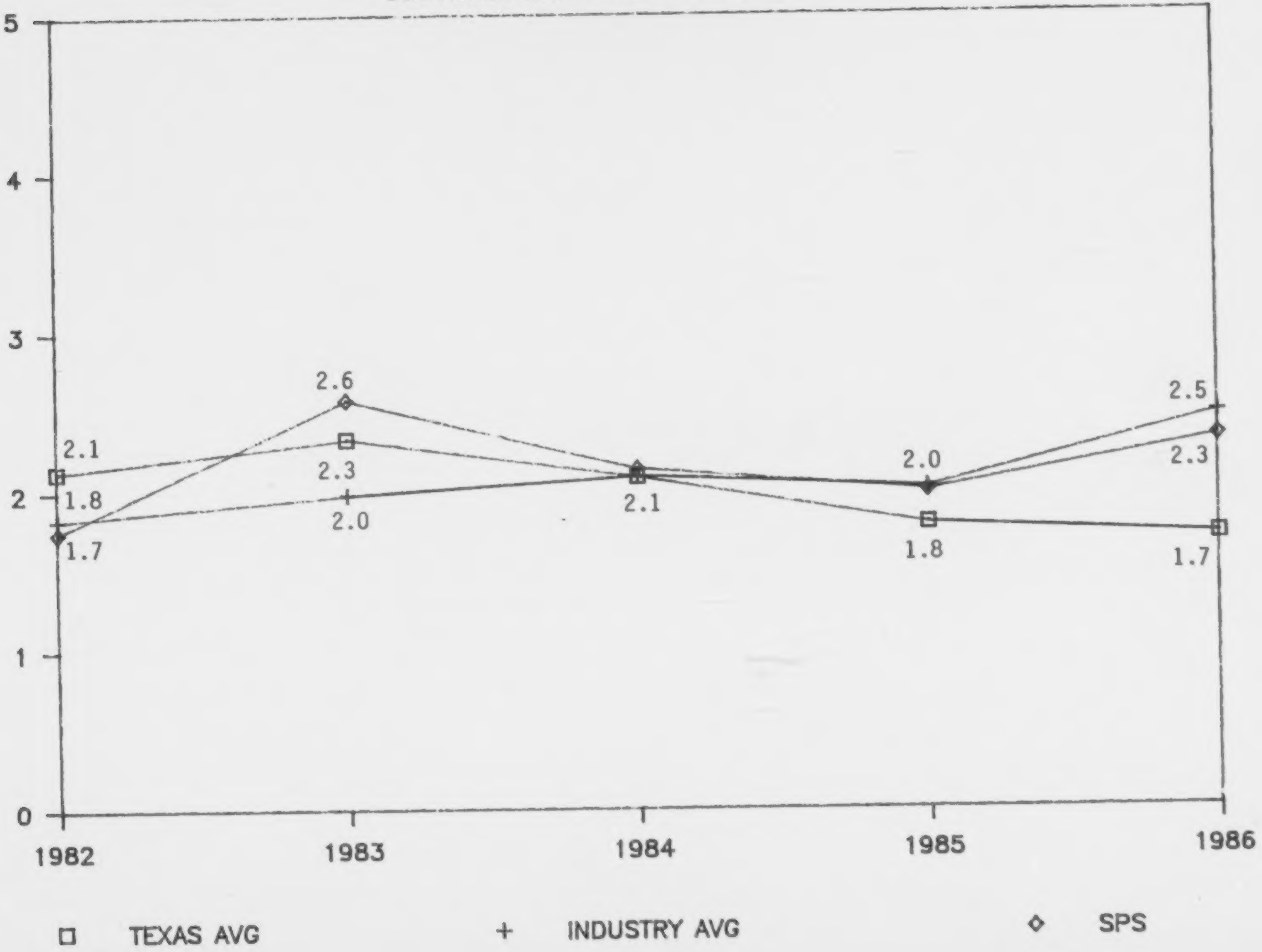
# MWH SALES GROWTH

## SOUTHWESTERN PUBLIC SERVICE



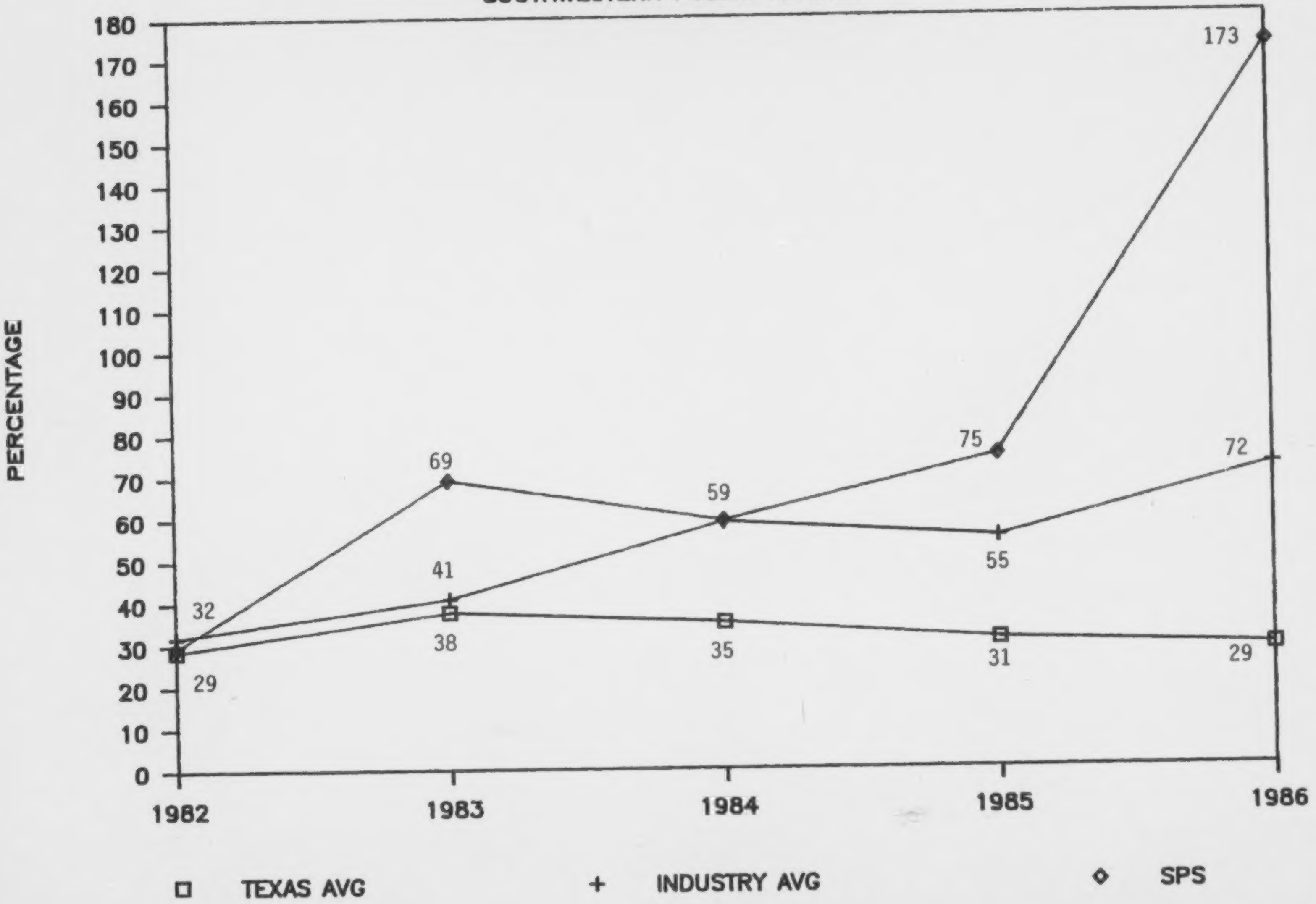
# CASH FLOW COVERAGE OF DIVIDENDS

## SOUTHWESTERN PUBLIC SERVICE



# FUNDS GENERATED INTERNALLY (%)

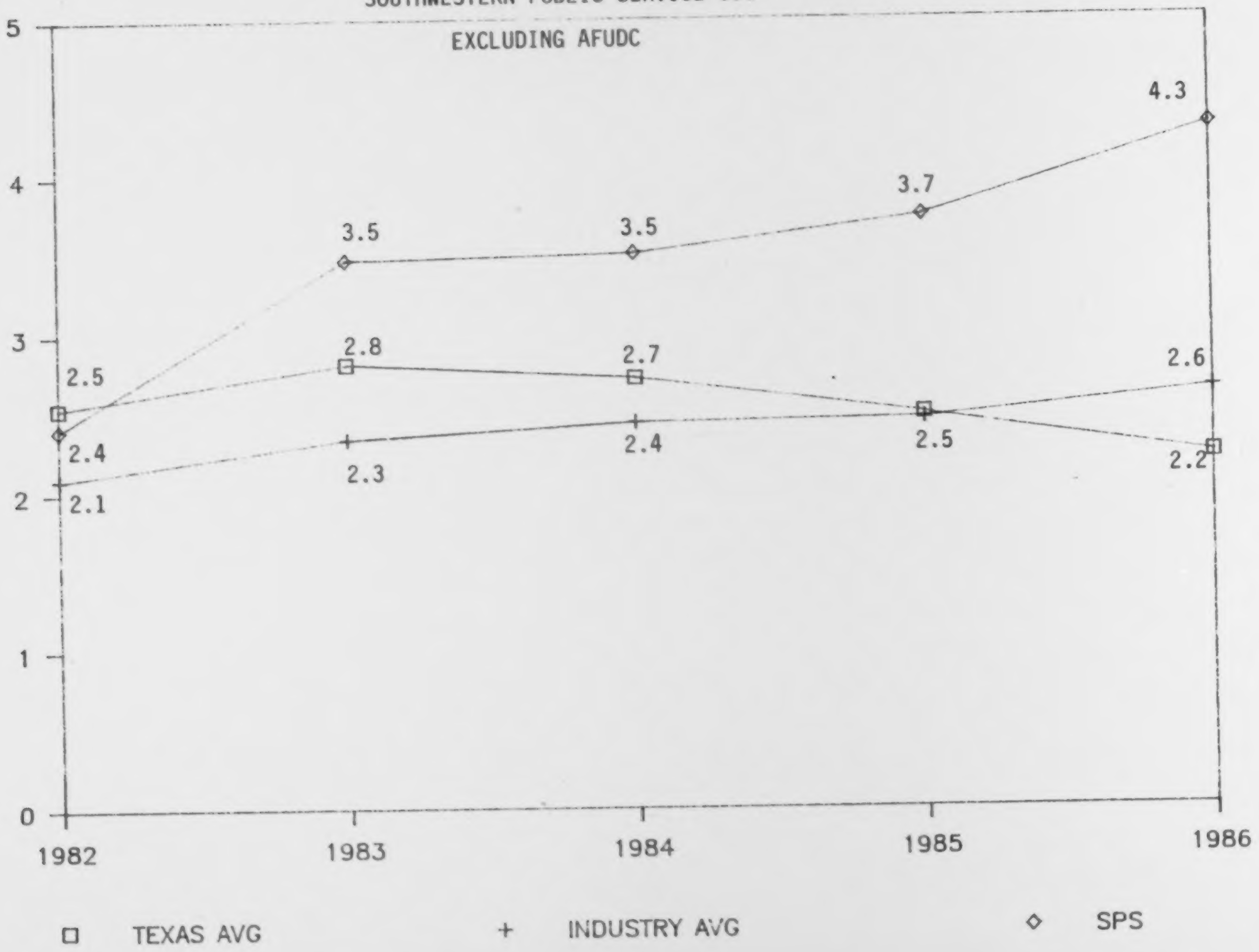
## SOUTHWESTERN PUBLIC SERVICE



# PRE–TAX INTEREST COVERAGE

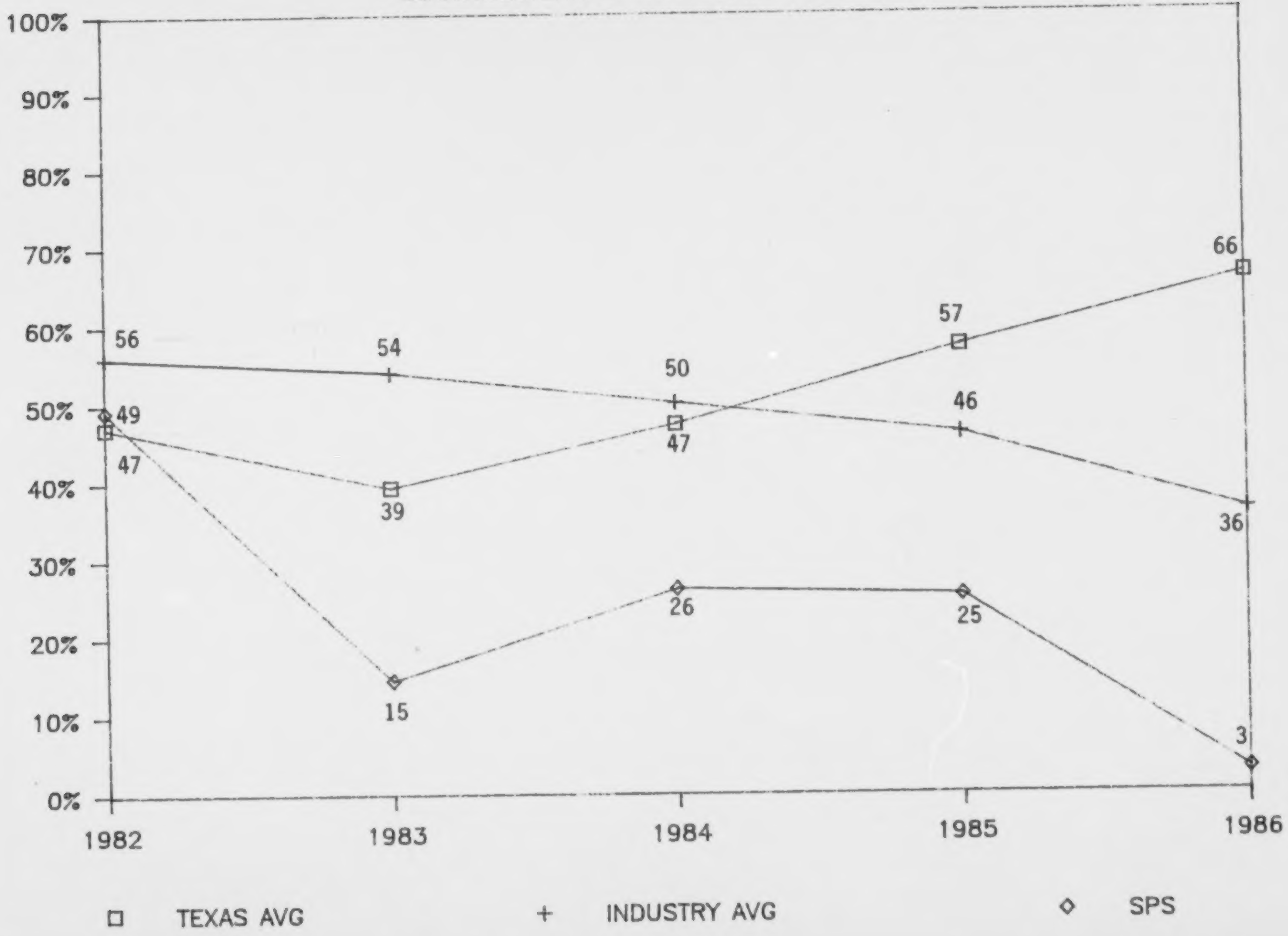
SOUTHWESTERN PUBLIC SERVICE CO.

EXCLUDING AFUDC



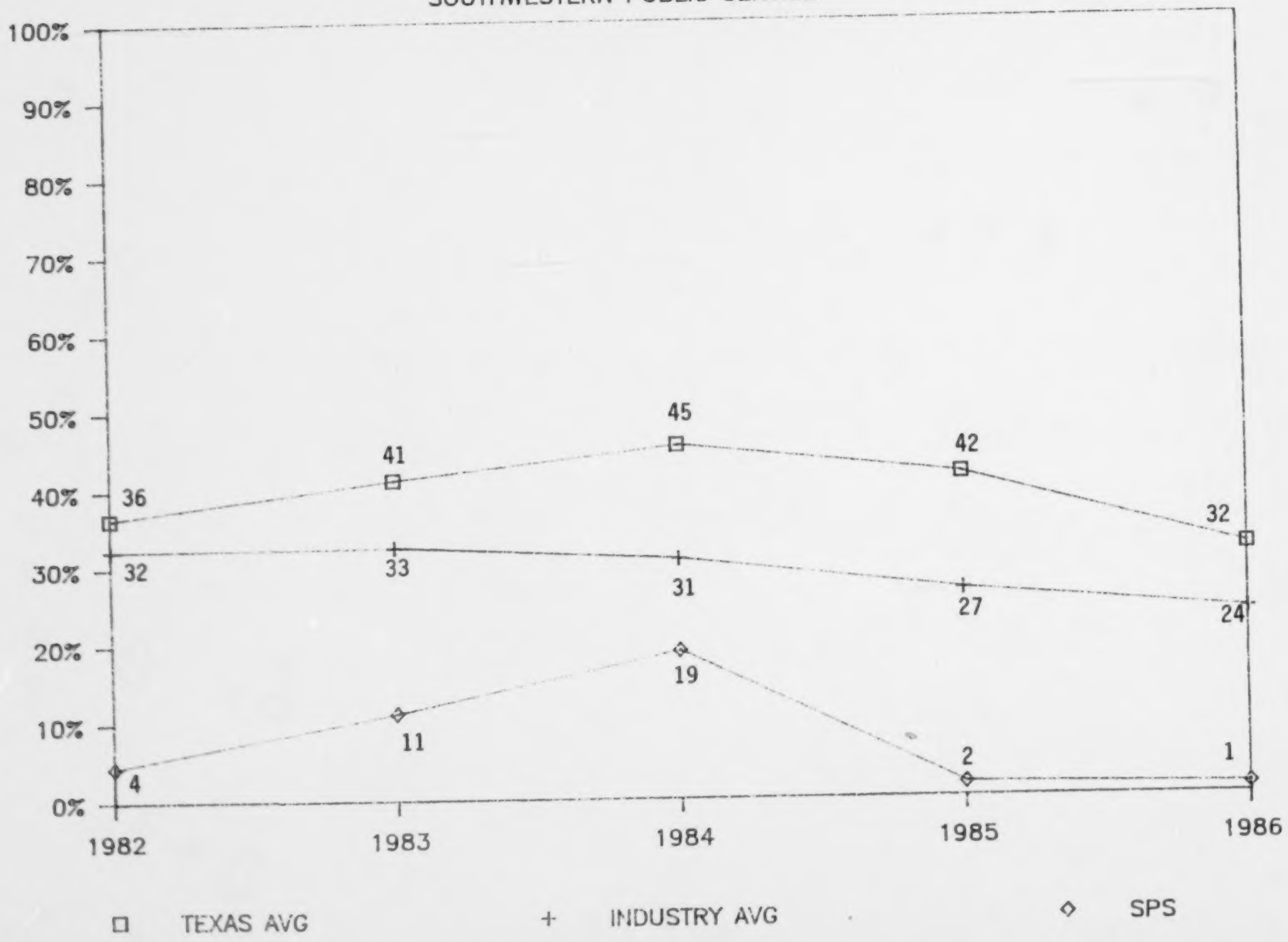
# RATIO OF AFUDC TO INCOME TO COMMON

## SOUTHWESTERN PUBLIC SERVICE CO.



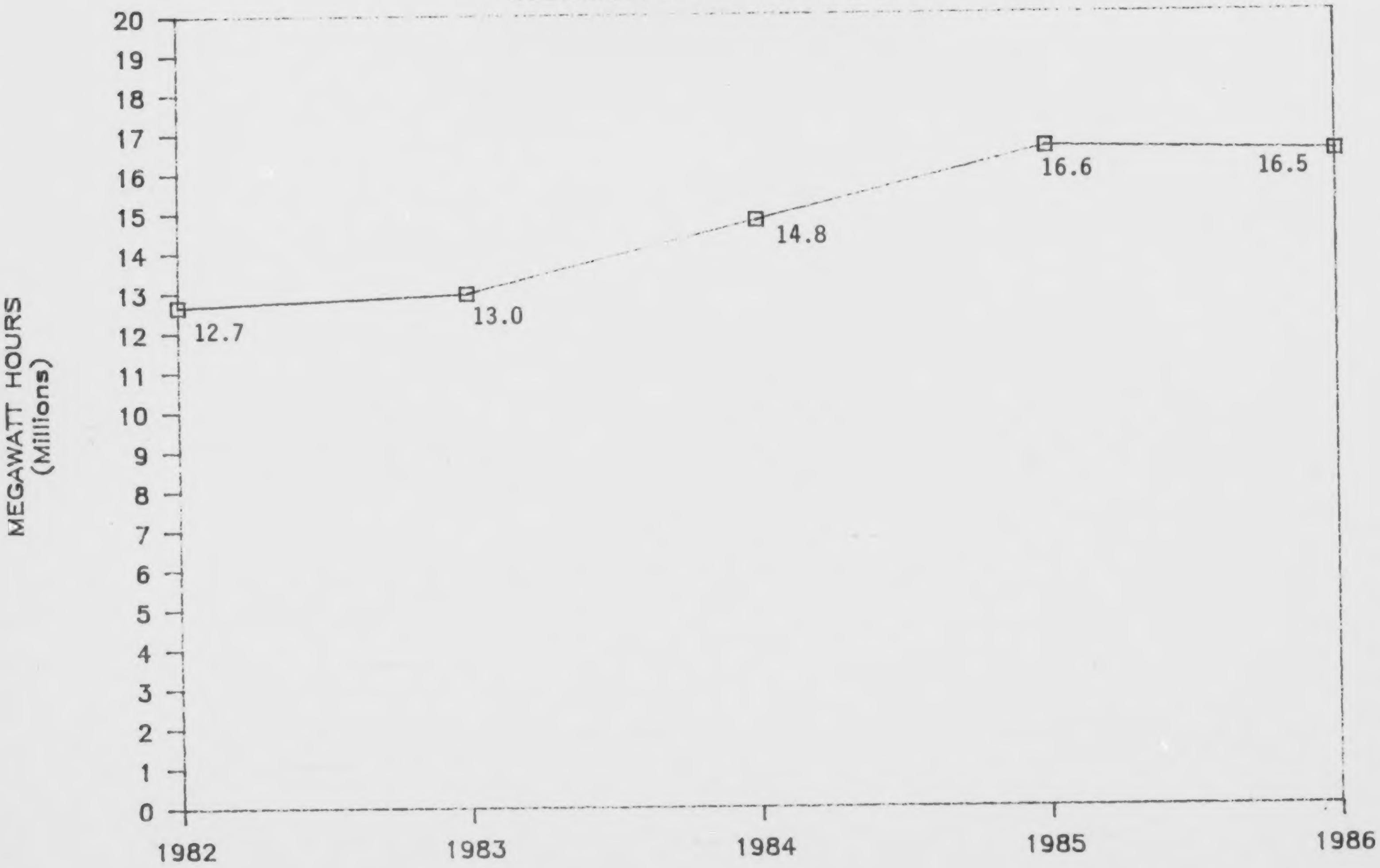
# CWIP AS A % OF NET PLANT

## SOUTHWESTERN PUBLIC SERVICE



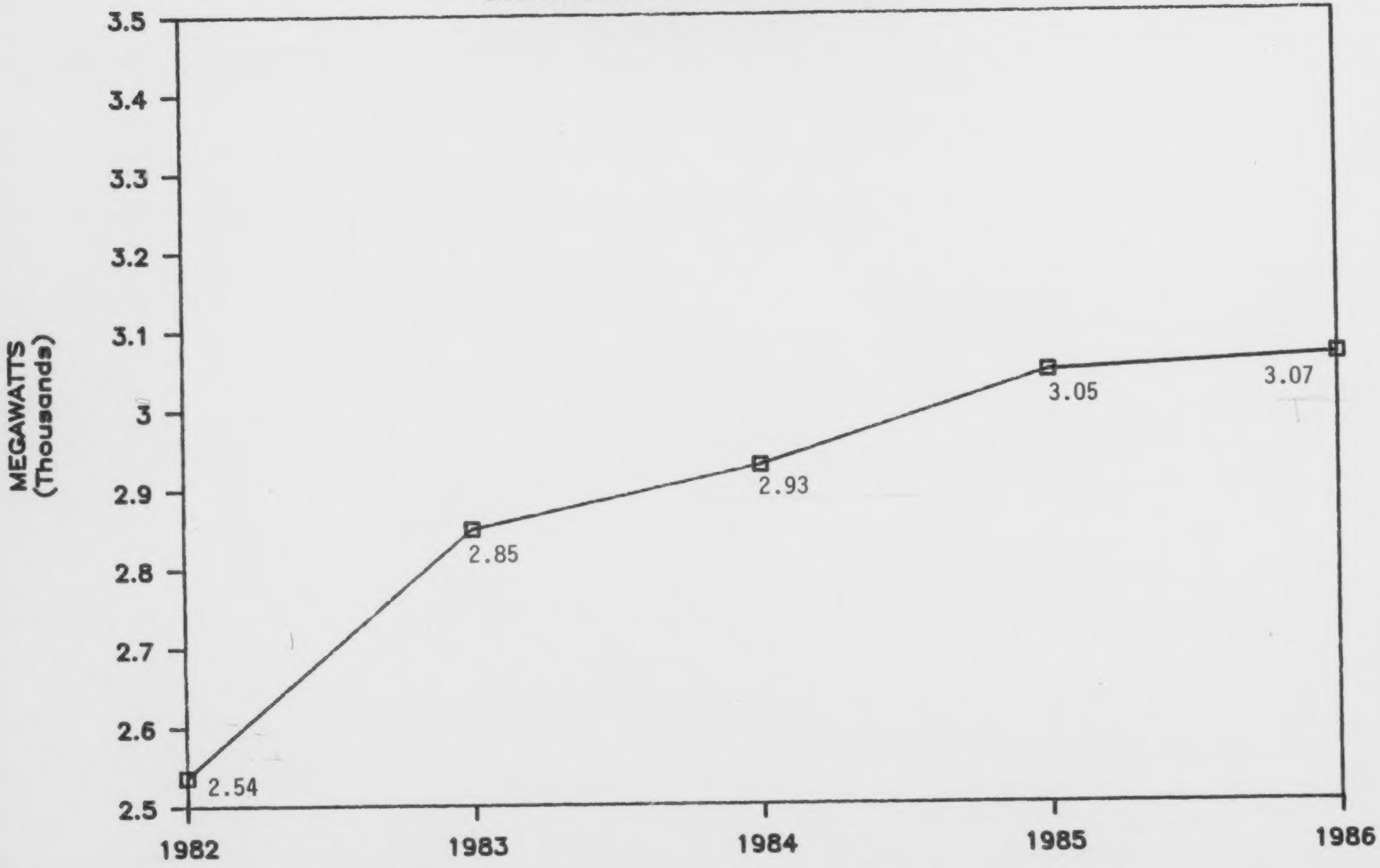
## MWH SALES

SOUTHWESTERN PUBLIC SERVICE



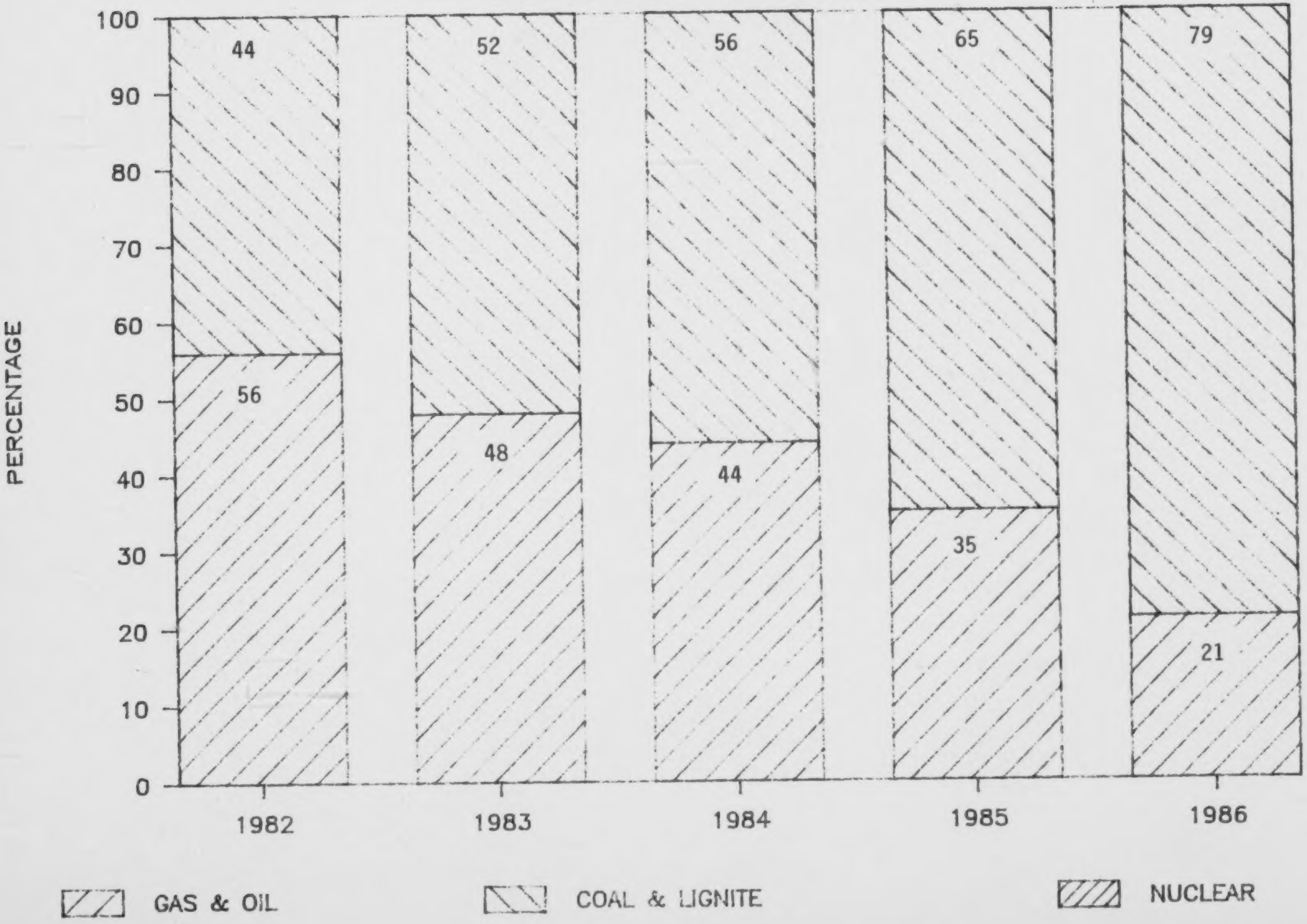
# PEAK DEMAND

## SOUTHWESTERN PUBLIC SERVICE CO.



# FUEL MIX

## SOUTHWESTERN PUBLIC SERVICE



# TEXAS PUC - COMPANY ANALYSIS REPORT
# SOUTHWESTERN PUBLIC SERVICE CO (SPS)
# FOR THE FIVE YEARS ENDED 1986

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 16,463 | 16,608 | 14,787 | 12,974 | 12,666 | -0.9 | 12.3 | 14.0 | 2.4 | 2.7 | 5.9 | 1.6 |
| MW PEAK DEMAND | 3,065 | 3,046 | 2,929 | 2,850 | 2,537 | 0.6 | 4.0 | 2.8 | 12.3 | -7.4 | 2.3 | 2.7 |
| RESERVE MARGIN | 39.0 | 37.9 | 26.5 | 34.3 | 46.5 | | | | | | | |
| RES CENTS PER KWH | 7.1 | 7.4 | 7.5 | 7.6 | 6.6 | -4.5 | -1.2 | -1.4 | 14.4 | 6.8 | 2.6 | 2.9 |
| RES KWH PER CUST PER MO | 639 | 634 | 637 | 597 | 597 | 0.8 | -0.4 | 6.8 | 0.0 | -1.0 | 1.2 | 0.6 |
| CONSTR EXP(000 $) | 63,044 | 100,076 | 129,463 | 135,711 | 127,634 | -37.0 | -22.7 | -4.6 | 6.3 | -0.3 | -13.2 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 21.0 | 35.0 | 44.0 | 48.0 | 56.0 | | | | | | | |
| COAL/LIGNITE | 79.0 | 65.0 | 56.0 | 52.0 | 44.0 | | | | | | | |

## FINANCIAL DATA

| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 2.16 | 2.72 | 2.57 | 2.36 | 1.95 | -20.6 | 5.8 | 8.9 | 21.0 | 2.1 | 2.5 | -0.8 |
| DIVIDENDS PER SHARE($) | 2.02 | 1.88 | 1.74 | 1.62 | 1.50 | 7.4 | 8.0 | 7.4 | 8.0 | 8.7 | 7.9 | -0.8 |
| STOCK PRICE($) | 31.00 | 24.13 | 19.13 | 17.50 | 17.00 | 28.5 | 26.1 | 9.3 | 2.9 | 30.8 | 19.0 | 8.8 |
| BOOK VALUE PER SHARE($) | 14.90 | 14.01 | 12.99 | 12.01 | 10.84 | 6.4 | 7.9 | 8.2 | 10.8 | 1.3 | 6.8 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 19.1 | 20.2 | 20.6 | 20.6 | 18.5 | 19.8 | 15.6 |
| AFC TO EARN | 2.8 | 25.2 | 26.2 | 14.6 | 49.2 | 23.6 | 51.4 |
| YIELD | 7.3 | 8.7 | 9.5 | 9.4 | 10.0 | 9.0 | 9.1 |
| PAYOUT RATIO | 93.5 | 69.1 | 67.7 | 68.6 | 76.9 | 75.2 | 61.4 |
| MARKET TO BOOK | 208.1 | 172.2 | 147.3 | 145.7 | 156.8 | 166.0 | 106.4 |
| PE RATIO(X) | 12.8 | 8.0 | 7.1 | 7.3 | 7.7 | 8.6 | 6.8 |
| INTERNAL GEN | 172.8 | 74.6 | 59.3 | 69.2 | 29.3 | 81.0 | 32.1 |
| INT COV INCL AFC(X) | 4.4 | 4.2 | 4.0 | 3.7 | 3.1 | 3.9 | 3.3 |
| INT COV EXCL AFC(X) | 4.3 | 3.7 | 3.5 | 3.5 | 2.4 | 3.5 | 2.6 |
| CASH FLOW COV OF DIV | 2.3 | 2.0 | 2.1 | 2.6 | 1.7 | 2.2 | 2.0 |
| LONG TERM DEBT RATIO | 44.5 | 45.6 | 47.3 | 49.0 | 51.7 | 47.6 | 46.3 |
| COMMON EQUITY RATIO | 47.5 | 45.3 | 43.0 | 40.8 | 37.0 | 42.7 | 44.2 |
| PREFERRED STOCK RATIO | 8.0 | 9.2 | 9.7 | 10.2 | 11.3 | 9.7 | 9.5 |
| EFFECTIVE TAX RATE | 42.4 | 37.1 | 36.1 | 22.5 | 20.2 | 31.7 | 31.8 |
| BOND RATING | Aa2/AA | Aa2/AA | Aa2/AA | Aa2/AA | Aa2/AA | | |
| PCT TPUC JURIS SALES | 84.5 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
SOUTHWESTERN PUBLIC SERVICE CO (SPS)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 808,257 | 831,804 | 806,484 | 725,944 | 586,310 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -2.8 | 3.1 | 11.1 | 23.8 | 9.8 | 8.6 | 4.8 | | | | | | | |
| FUEL & PP | 395,898 | 434,287 | 433,524 | 397,637 | 344,735 | | | 49.0 | 52.2 | 53.8 | 54.8 | 58.8 | 53.7 | 51.2 |
| | -8.8 | 0.2 | 9.0 | 15.3 | 14.1 | 5.5 | 1.5 | | | | | | | |
| O & M | 101,542 | 101,462 | 99,092 | 96,964 | 80,866 | | | 12.6 | 12.2 | 12.3 | 13.4 | 13.8 | 12.8 | 16.1 |
| | 0.1 | 2.4 | 2.2 | 19.9 | 3.3 | 5.3 | 9.7 | | | | | | | |
| DEPR | 55,547 | 49,528 | 45,497 | 44,034 | 33,650 | | | 6.9 | 6.0 | 5.6 | 6.1 | 5.7 | 6.1 | 5.4 |
| | 12.2 | 8.9 | 3.3 | 30.9 | 3.0 | 11.2 | 10.0 | | | | | | | |
| CURR FIT | 53,071 | 54,528 | 36,950 | 12,832 | 1,111 | | | 6.6 | 6.6 | 4.6 | 1.8 | 0.2 | 3.9 | 2.2 |
| DEF TAX | 24,715 | 10,747 | 14,758 | 22,763 | 6,820 | | | 3.1 | 1.3 | 1.8 | 3.1 | 1.2 | 2.1 | 2.8 |
| ITC | 2,033 | 8,324 | 10,540 | 13,484 | 14,056 | | | 0.3 | 1.0 | 1.3 | 1.9 | 2.4 | 1.4 | 1.5 |
| FIT | 79,819 | 73,599 | 62,248 | 49,079 | 21,987 | | | 9.9 | 8.8 | 7.7 | 6.8 | 3.8 | 7.4 | 6.4 |
| | 8.5 | 18.2 | 26.8 | 123.2 | -15.2 | 25.2 | 5.1 | | | | | | | |
| OTH TAX | 31,380 | 28,489 | 27,127 | 24,382 | 21,083 | | | 3.9 | 3.4 | 3.4 | 3.4 | 3.6 | 3.5 | 4.6 |
| | 10.1 | 5.0 | 11.3 | 15.6 | 19.5 | 12.2 | 9.7 | | | | | | | |
| OPER INC | 144,071 | 144,439 | 138,996 | 113,848 | 83,989 | | | 17.8 | 17.4 | 17.2 | 15.7 | 14.3 | 16.5 | 16.1 |
| | -0.3 | 3.9 | 22.1 | 35.6 | 8.9 | 13.3 | 6.3 | | | | | | | |
| AFC | 3,147 | 27,343 | 26,143 | 12,490 | 31,974 | | | 0.4 | 3.3 | 3.2 | 1.7 | 5.5 | 2.8 | 6.4 |
| | -88.5 | 4.6 | 109.3 | -60.9 | 91.4 | -28.4 | 26.7 | | | | | | | |
| OTH INC | 33,875 | 5,873 | 1,508 | 21,720 | 3,628 | | | 4.2 | 0.7 | 0.2 | 3.0 | 0.6 | 1.7 | 0.1 |
| INTEREST | 59,841 | 59,893 | 57,794 | 53,168 | 45,585 | | | 7.4 | 7.2 | 7.2 | 7.3 | 7.8 | 7.4 | 8.9 |
| | -0.1 | 3.6 | 8.7 | 16.6 | 10.5 | 7.7 | 12.6 | | | | | | | |
| NET INCOME | 121,252 | 117,762 | 108,853 | 94,890 | 74,006 | | | 15.0 | 14.2 | 13.5 | 13.1 | 12.6 | 13.7 | 13.7 |
| | 3.0 | 8.2 | 14.7 | 28.2 | 16.0 | 13.7 | 12.1 | | | | | | | |
| PREF DIV | 8,951 | 9,076 | 9,076 | 9,070 | 9,031 | | | 1.1 | 1.1 | 1.1 | 1.2 | 1.5 | 1.2 | 1.5 |
| | -1.4 | 0.0 | 0.1 | 0.4 | 17.8 | 3.2 | 10.9 | | | | | | | |
| INC TO COM | 112,301 | 108,686 | 99,777 | 85,820 | 64,975 | | | 13.9 | 13.1 | 12.4 | 11.8 | 11.1 | 12.4 | 12.1 |
| | 3.3 | 8.9 | 16.3 | 32.1 | 15.7 | 14.9 | 12.3 | | | | | | | |
| COMMON DIV | 82,525 | 75,274 | 67,678 | 59,643 | 50,089 | | | 10.2 | 9.0 | 8.4 | 8.2 | 8.5 | 8.9 | 7.8 |
| | 9.6 | 11.2 | 13.5 | 19.1 | 22.4 | 15.1 | 13.6 | | | | | | | |
| INC TO RE | 29,776 | 33,412 | 32,099 | 26,177 | 14,886 | | | 3.7 | 4.0 | 4.0 | 3.6 | 2.5 | 3.6 | 4.3 |

TEXAS PUC - COMPANY ANALYSIS REPORT
SOUTHWESTERN PUBLIC SERVICE CO (SPS)
FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

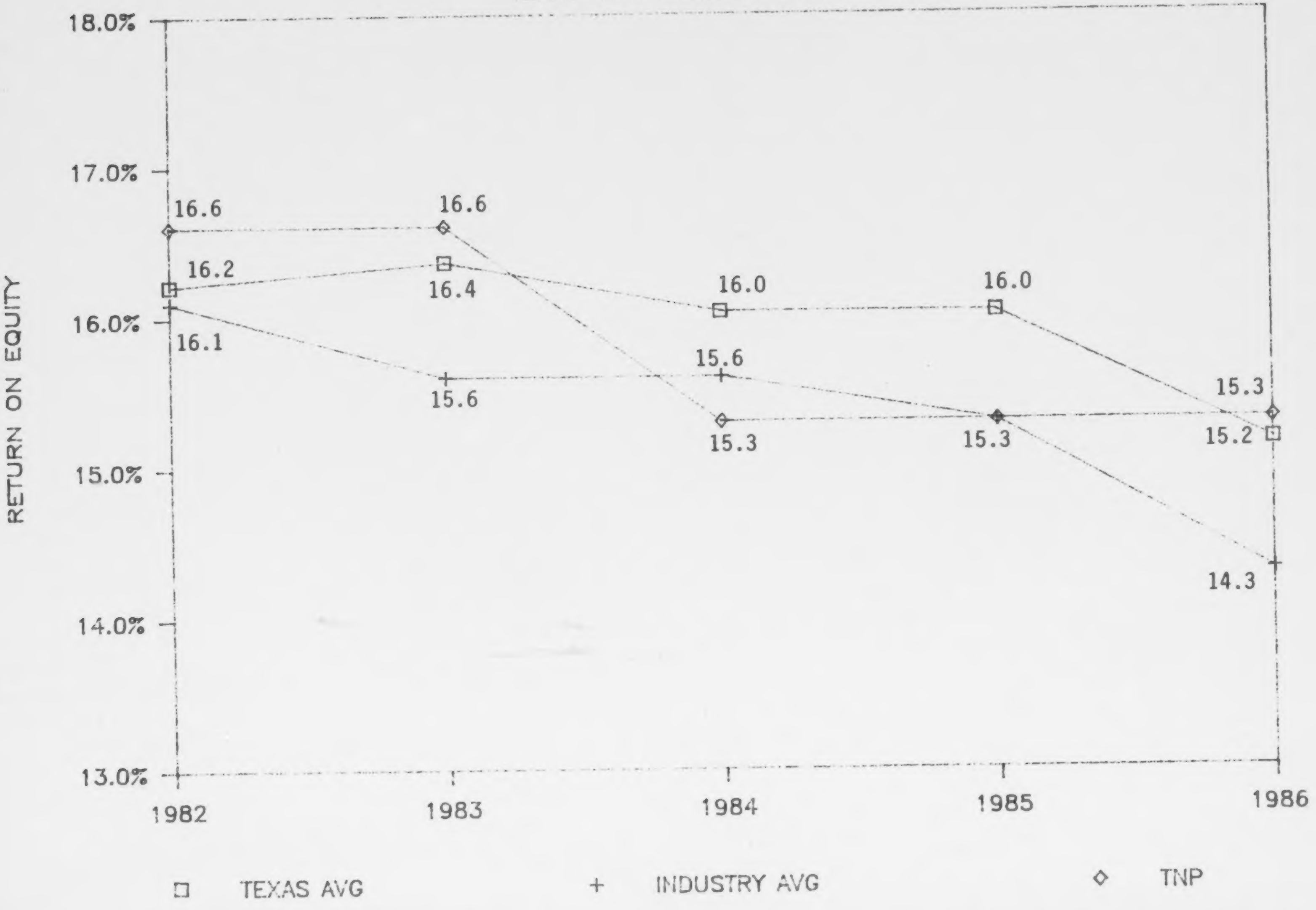
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 1,852,388 | 1,801,300 | 1,471,268 | 1,453,965 | 1,374,554 | | | 113.2 | 112.9 | 99.7 | 105.7 | 111.8 | 108.7 | 74.5 |
| CWIP & OTH | 15,658 | 24,290 | 259,060 | 140,790 | 49,927 | | | 1.0 | 1.5 | 17.6 | 10.2 | 4.1 | 6.9 | 35.8 |
| TOTAL PLANT | 1,868,046 | 1,825,590 | 1,730,328 | 1,594,755 | 1,424,481 | | | 114.2 | 114.4 | 117.3 | 116.0 | 115.9 | 115.5 | 110.3 |
| ACCUM DEPR | 429,439 | 383,718 | 366,396 | 335,621 | 294,166 | | | 26.3 | 24.0 | 24.8 | 24.4 | 23.9 | 24.7 | 19.1 |
| NET PLANT | 1,438,607 | 1,441,872 | 1,363,932 | 1,259,134 | 1,130,315 | | | 87.9 | 90.4 | 92.4 | 91.6 | 91.9 | 90.8 | 91.2 |
| | -0.2 | 5.7 | 8.3 | 11.4 | 12.5 | 7.4 | 11.3 | | | | | | | |
| CASH & INV | 59,580 | 45,127 | 16,099 | 24,552 | 19,052 | | | 3.6 | 2.8 | 1.1 | 1.8 | 1.5 | 2.2 | 1.5 |
| ACCTS REC | 65,773 | 71,792 | 62,990 | 60,803 | 52,031 | | | 4.0 | 4.5 | 4.3 | 4.4 | 4.2 | 4.3 | 2.7 |
| INVENTORY | 5,483 | 4,859 | 4,964 | 3,637 | 3,359 | | | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 1.8 |
| OTH CURRENT | 42,347 | 12,754 | 9,906 | 12,059 | 6,566 | | | 2.6 | 0.8 | 0.7 | 0.9 | 0.5 | 1.1 | 0.4 |
| TOTAL CURR | 173,183 | 134,532 | 93,959 | 101,051 | 81,008 | | | 10.6 | 8.4 | 6.4 | 7.3 | 6.6 | 7.9 | 6.4 |
| | 28.7 | 43.2 | -7.0 | 24.7 | 27.1 | 22.1 | 13.6 | | | | | | | |
| OTH ASSETS | 23,957 | 19,263 | 17,617 | 14,942 | 18,241 | | | 1.5 | 1.2 | 1.2 | 1.1 | 1.5 | 1.3 | 2.4 |
| TOTAL ASSETS | 1,635,747 | 1,595,667 | 1,475,508 | 1,375,127 | 1,229,564 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 2.5 | 8.1 | 7.3 | 11.8 | 13.8 | 8.6 | 12.0 | | | | | | | |
| COMMON EQ | 606,592 | 566,303 | 511,211 | 458,118 | 374,675 | | | 37.1 | 35.5 | 34.6 | 33.3 | 30.5 | 34.2 | 34.5 |
| | 7.1 | 10.8 | 11.6 | 22.3 | 13.9 | 13.0 | 12.7 | | | | | | | |
| PREF STOCK | 102,680 | 114,680 | 114,680 | 114,680 | 114,420 | | | 6.3 | 7.2 | 7.8 | 8.3 | 9.3 | 7.8 | 7.4 |
| | -10.5 | 0.0 | 0.0 | 0.2 | 0.0 | -2.1 | 9.8 | | | | | | | |
| LT DEBT | 568,589 | 569,746 | 561,973 | 550,916 | 523,744 | | | 34.8 | 35.7 | 38.1 | 40.1 | 42.6 | 38.2 | 36.1 |
| | -0.2 | 1.4 | 2.0 | 5.2 | 17.9 | 5.1 | 11.7 | | | | | | | |
| TOTAL CAP | 1,277,861 | 1,250,729 | 1,187,864 | 1,123,714 | 1,012,839 | | | 78.1 | 78.4 | 80.5 | 81.7 | 82.4 | 80.2 | 78.0 |
| | 2.2 | 5.3 | 5.7 | 10.9 | 14.1 | 7.6 | 11.9 | | | | | | | |
| ST DEBT | 31,449 | 31,452 | 21,311 | 18,100 | 19,334 | | | 1.9 | 2.0 | 1.4 | 1.3 | 1.6 | 1.6 | 1.6 |
| OTH CURRENT | 145,055 | 148,272 | 122,498 | 115,449 | 97,373 | | | 8.9 | 9.3 | 8.3 | 8.4 | 7.9 | 8.6 | 6.8 |
| TOTAL CURR | 176,504 | 179,724 | 143,809 | 133,549 | 116,707 | | | 10.8 | 11.3 | 9.7 | 9.7 | 9.5 | 10.2 | 8.4 |
| | -1.8 | 25.0 | 7.7 | 14.4 | 8.1 | 10.3 | 6.3 | | | | | | | |
| ACC DEF TAX | 156,360 | 125,746 | 105,053 | 89,066 | 62,965 | | | 9.6 | 7.9 | 7.1 | 6.5 | 5.1 | 7.2 | 7.7 |
| | 24.3 | 19.7 | 17.9 | 41.5 | 13.2 | 23.0 | 18.6 | | | | | | | |
| ACC ITC | 22,291 | 36,795 | 34,827 | 26,720 | 35,779 | | | 1.4 | 2.3 | 2.4 | 1.9 | 2.9 | 2.2 | 5.4 |
| | -39.4 | 5.7 | 30.3 | -25.3 | 30.4 | -4.1 | 11.3 | | | | | | | |
| OTH LIAB | 2,731 | 2,673 | 3,955 | 2,078 | 1,274 | | | 0.2 | 0.2 | 0.3 | 0.2 | 0.1 | 0.2 | 0.5 |
| LIAB AND EQ | 1,635,747 | 1,595,667 | 1,475,508 | 1,375,127 | 1,229,564 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section VIII - Texas-New Mexico Power Company

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1981-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Fuel Mix 1982-1986
11. Operating Data 1982-1986
12. Income Statement Analysis 1982-1986
13. Balance Sheet Analysis 1982-1986

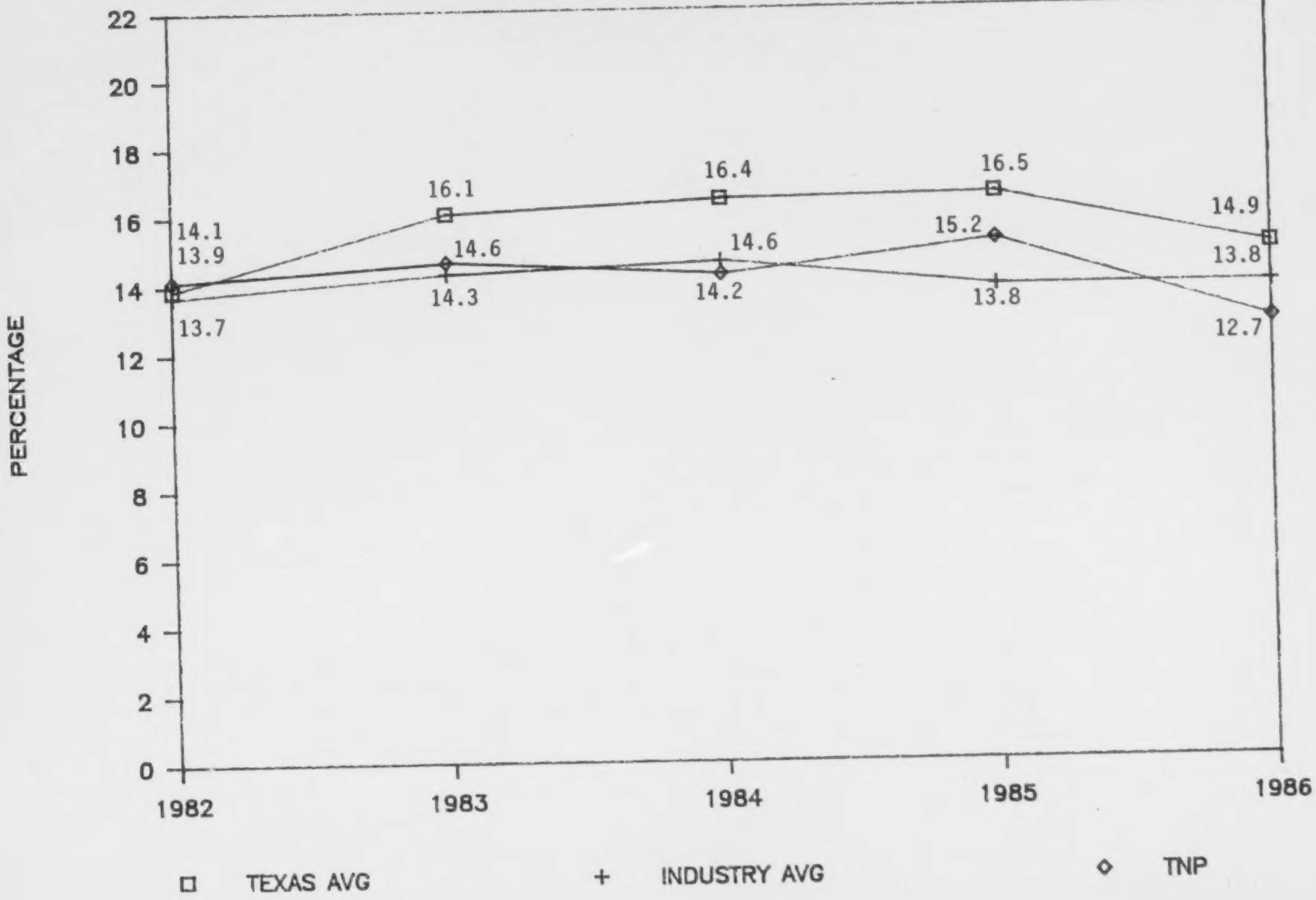
# ALLOWED RETURN ON EQUITY

## TEXAS--NEW MEXICO POWER



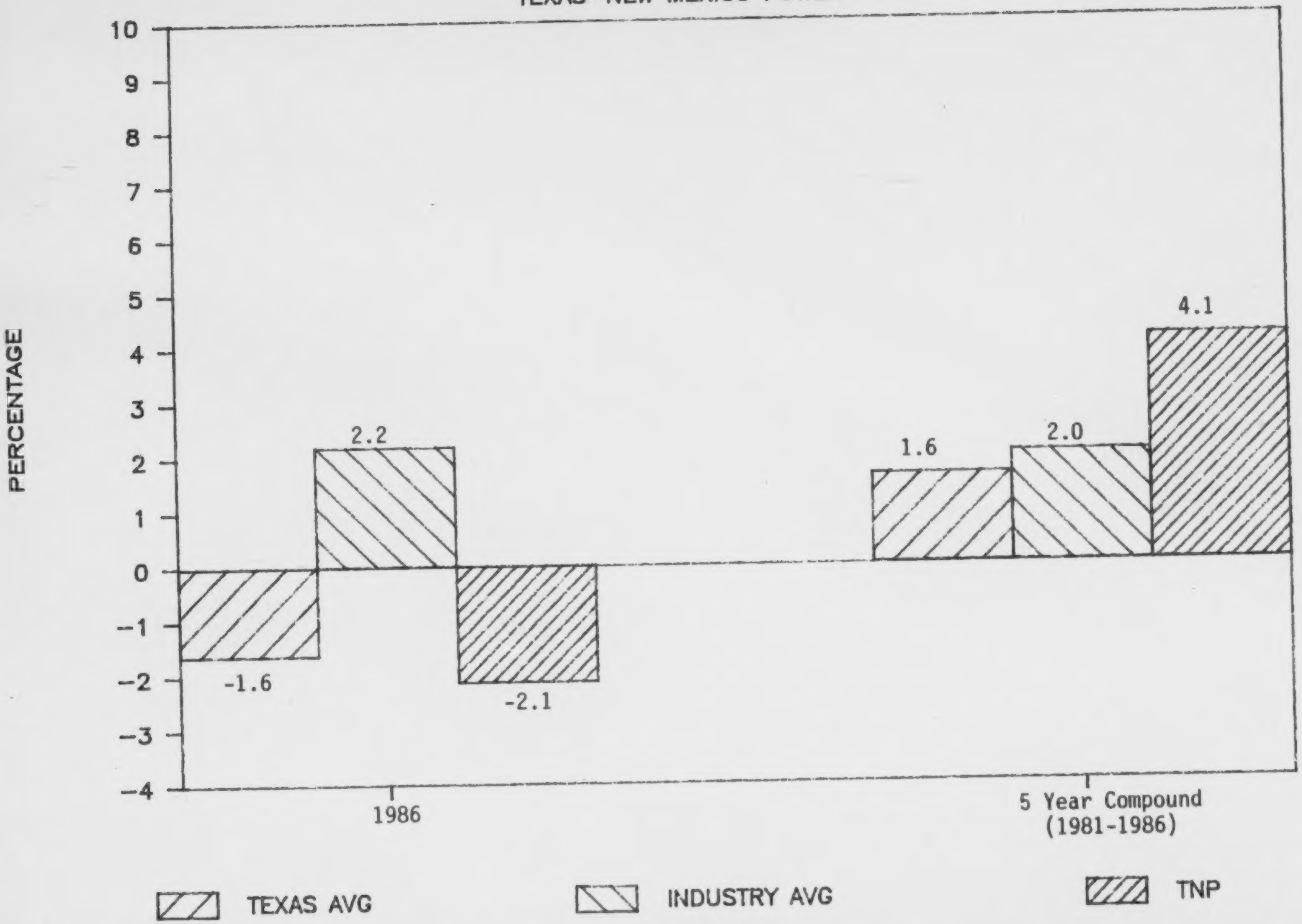
# EARNED RETURN ON EQUITY

TEXAS–NEW MEXICO POWER CO.



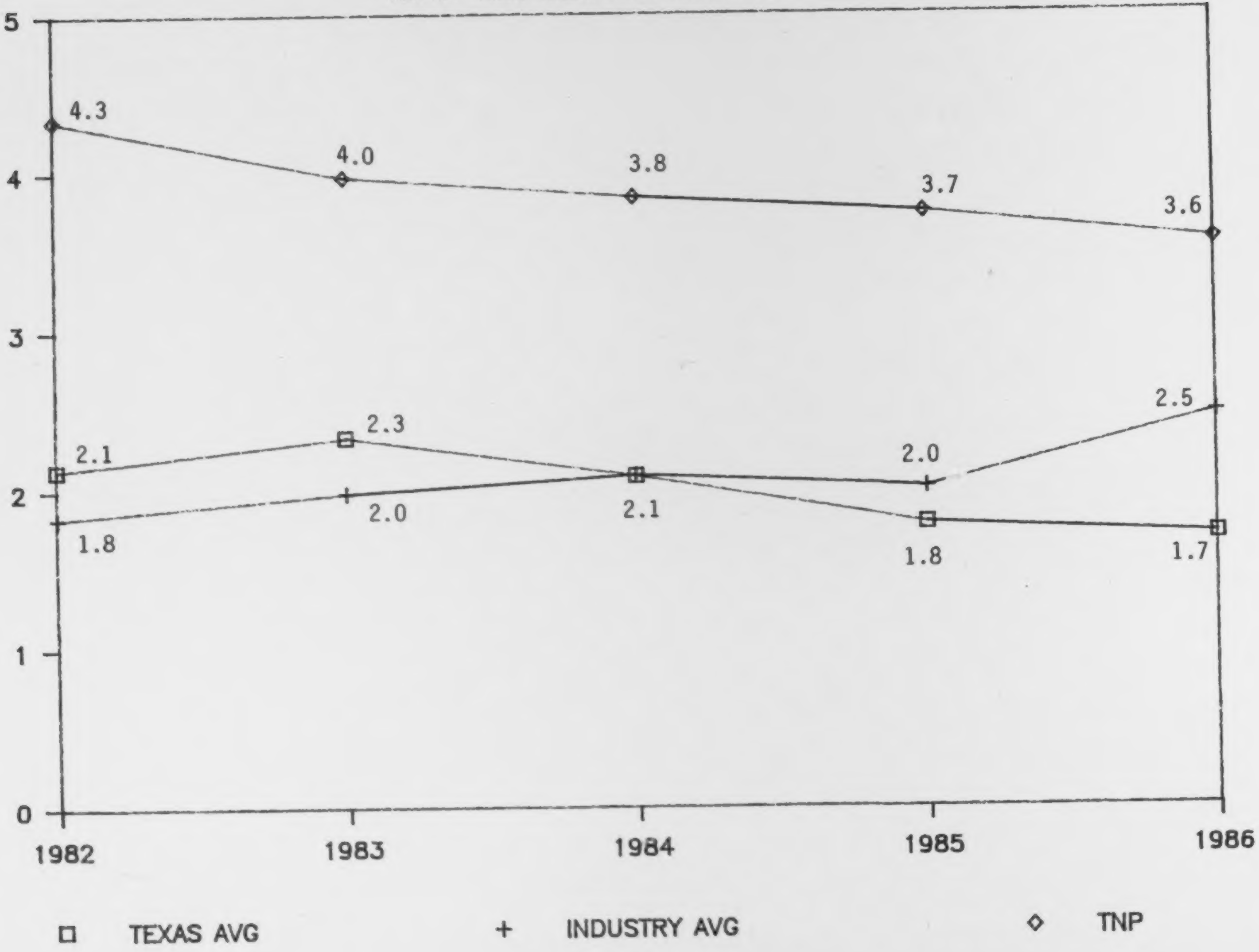
# MWH SALES GROWTH

## TEXAS–NEW MEXICO POWER



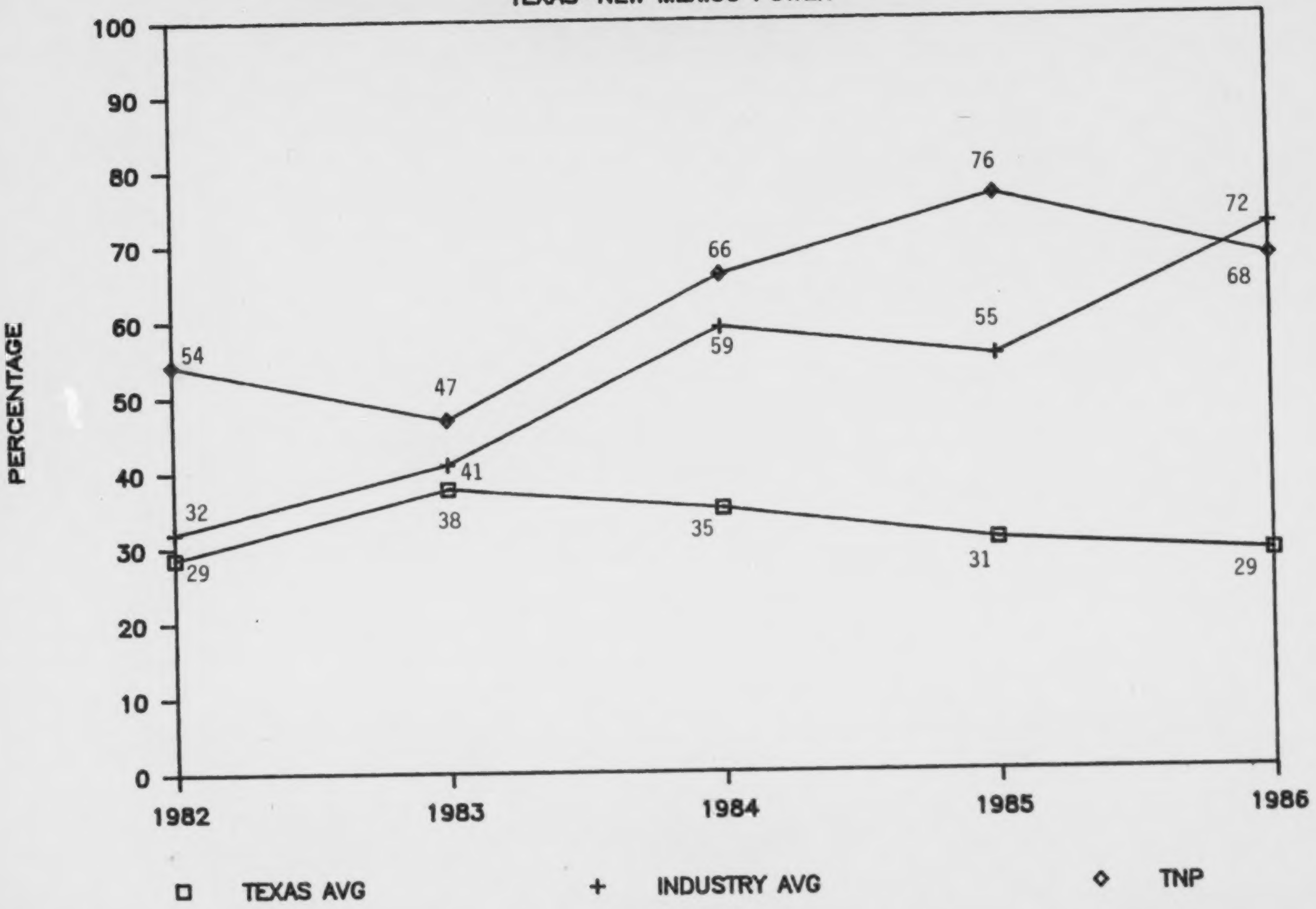
# CASH FLOW COVERAGE OF DIVIDENDS

TEXAS–NEW MEXICO POWER CO.



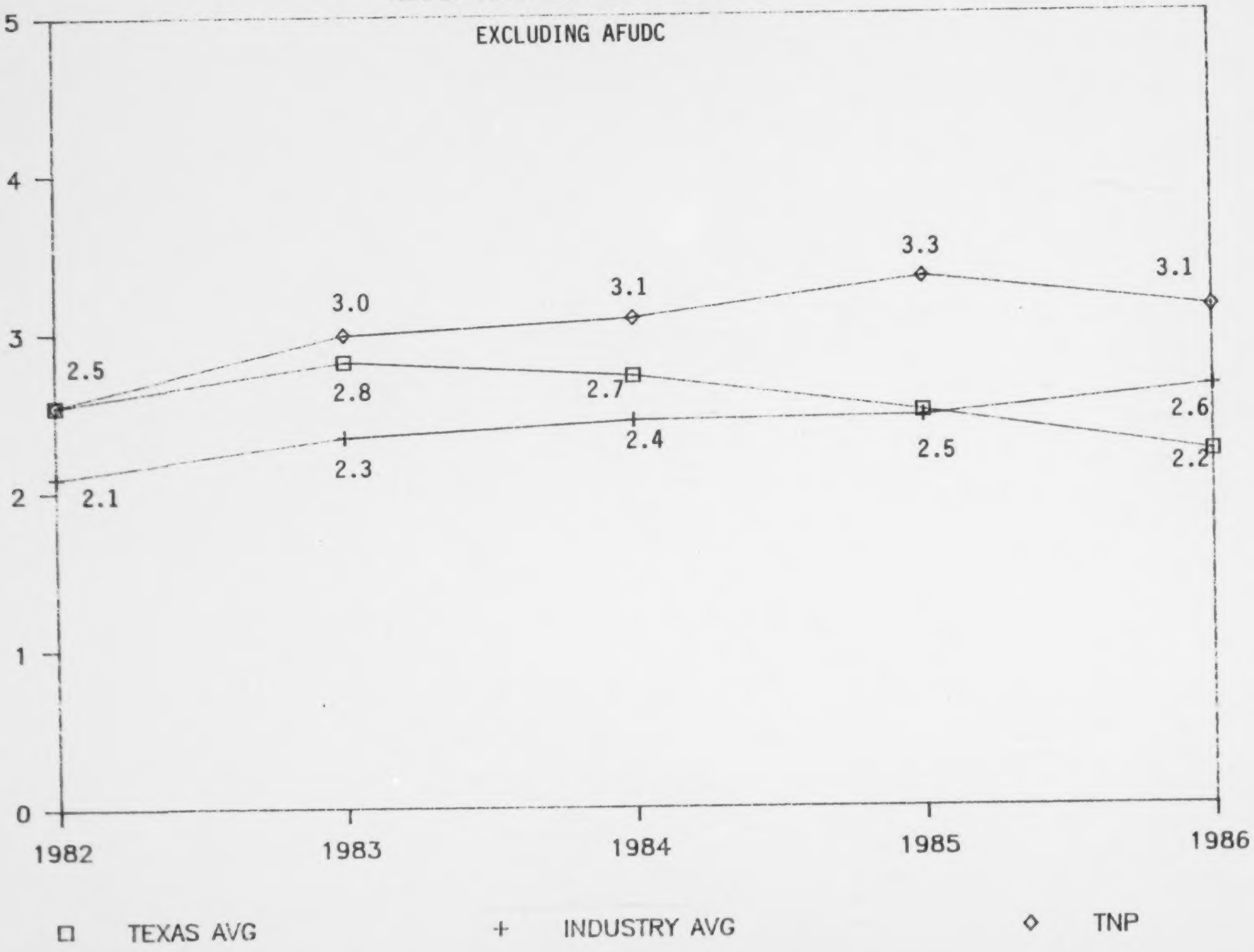
# FUNDS GENERATED INTERNALLY (%)

## TEXAS–NEW MEXICO POWER



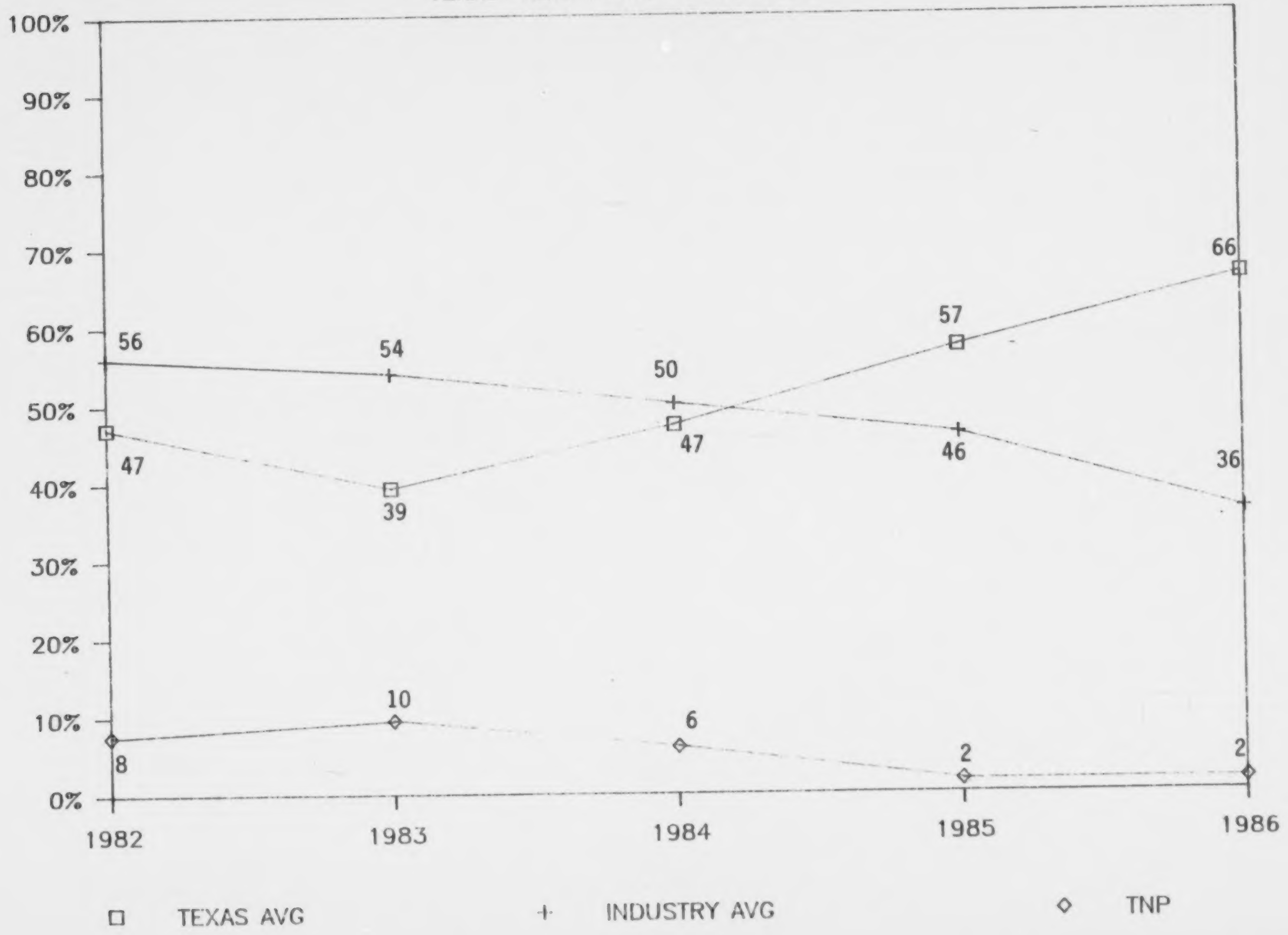
# PRE–TAX INTEREST COVERAGE

TEXAS–NEW MEXICO POWER CO.



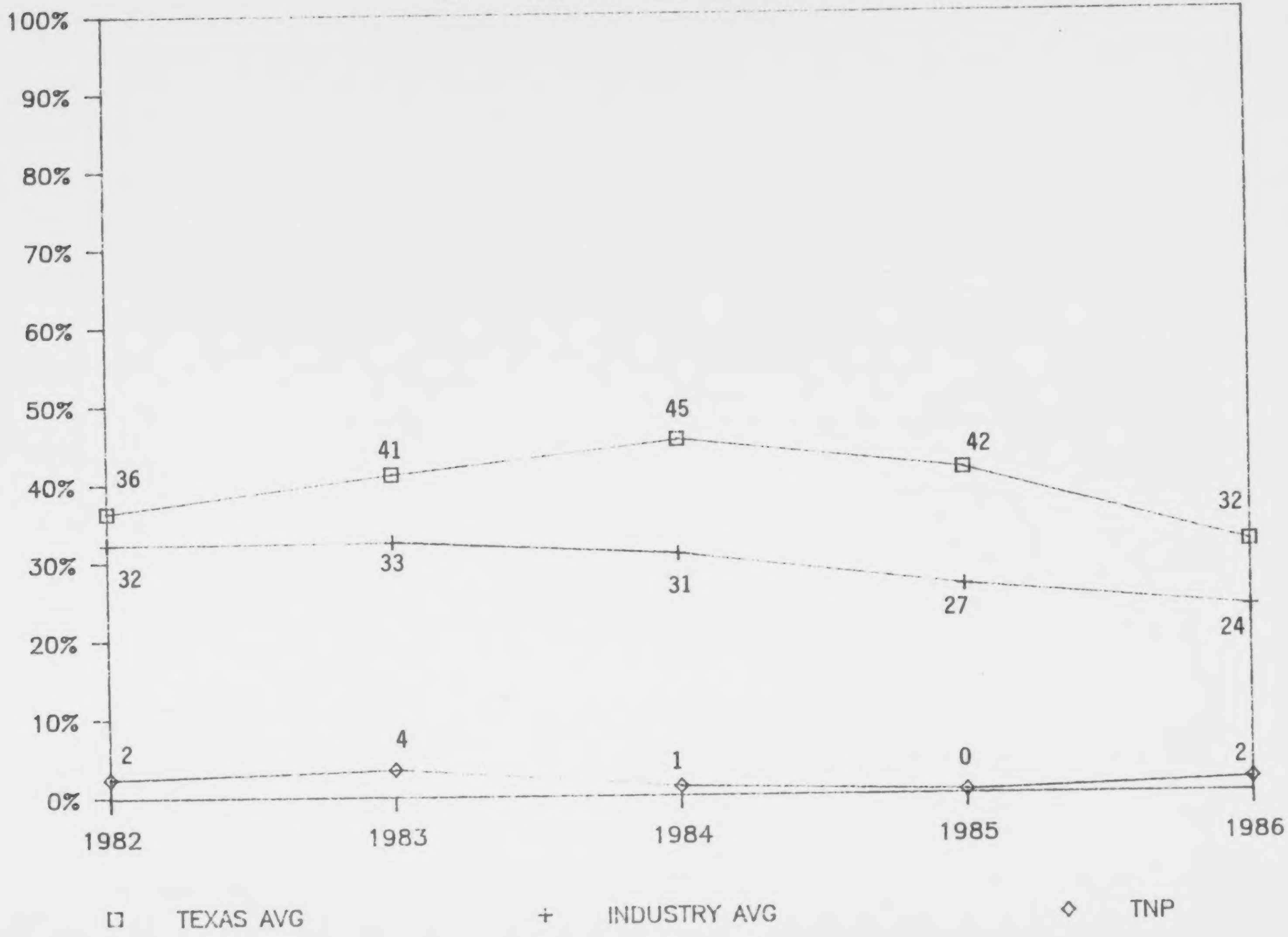
# RATIO OF AFUDC TO INCOME TO COMMON

TEXAS–NEW MEXICO POWER CO.



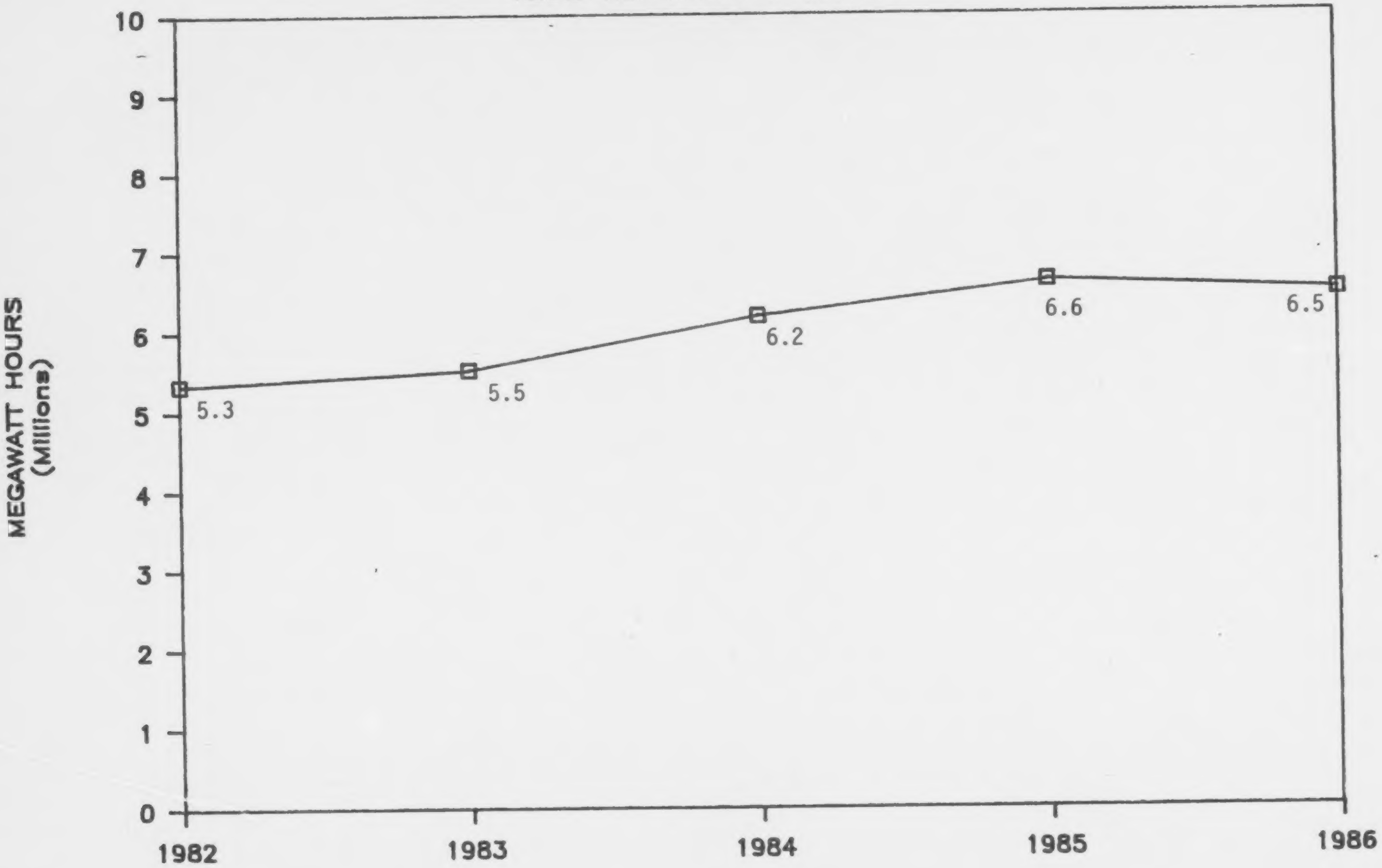
# CWIP AS A % OF NET PLANT

## TEXAS—NEW MEXICO POWER CO.



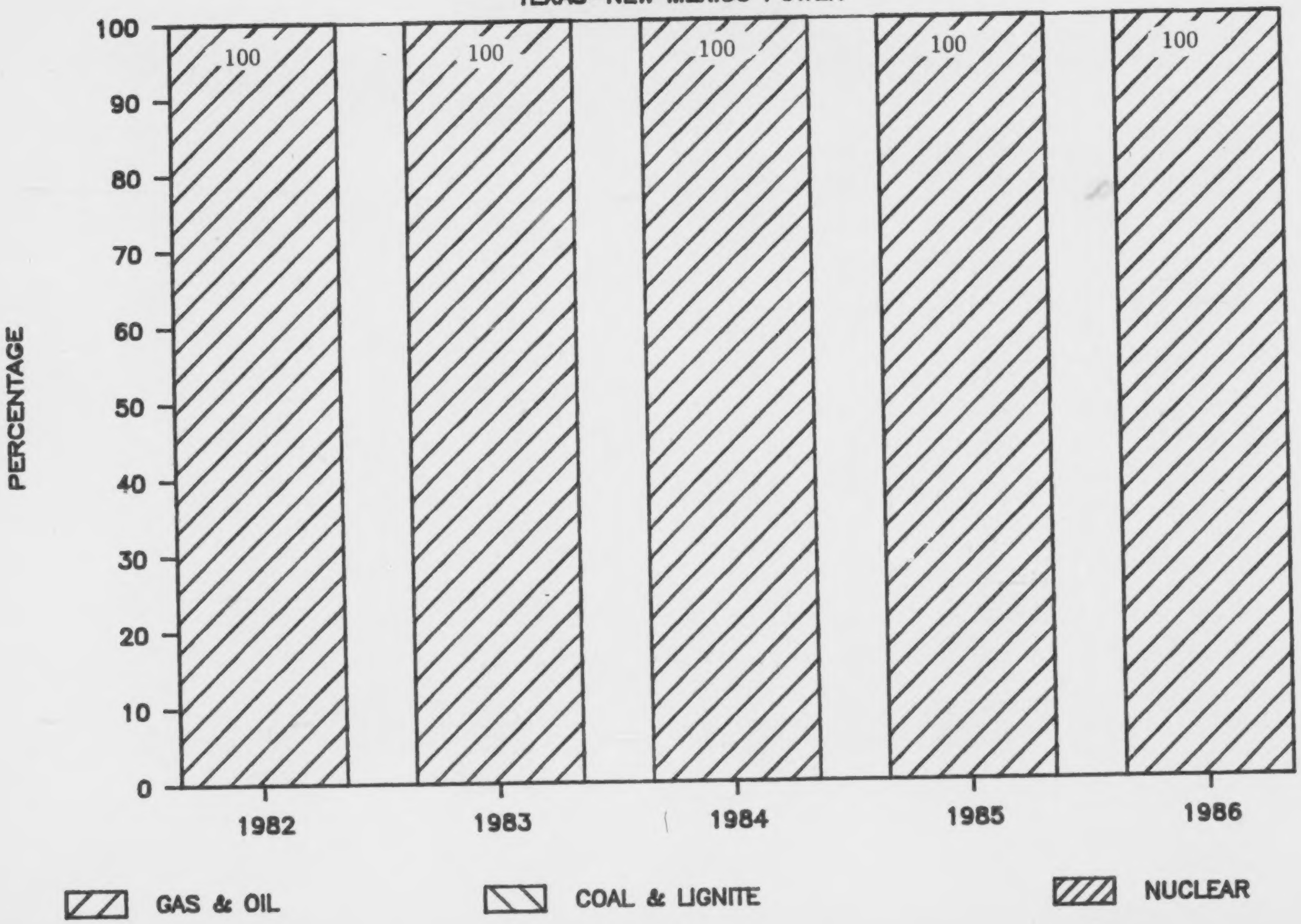
# MWH SALES

## TEXAS–NEW MEXICO POWER CO.



# FUEL MIX

TEXAS—NEW MEXICO POWER



## TEXAS PUC - COMPANY ANALYSIS REPORT
## TEXAS-NEW MEXICO POWER CO (TNP)
## FOR THE FIVE YEARS ENDED 1986

| OPERATING DATA | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 6,475 | 6,616 | 6,187 | 5,521 | 5,336 | -2.1 | 6.9 | 12.1 | 3.5 | 0.9 | 4.1 | 1.6 |
| MW PEAK DEMAND | 1,194 | 1,172 | 1,126 | 1,056 | 0 | 1.9 | 4.1 | 6.6 | 0.0 | 0.0 | -100.0 | 2.7 |
| RESERVE MARGIN | 9.2 | 27.0 | 16.7 | 27.8 | 0.0 | | | | | | | |
| RES CENTS PER KWH | 7.2 | 8.3 | 8.1 | 8.1 | 7.7 | -13.2 | 2.0 | 0.2 | 5.3 | 19.7 | 2.3 | 2.9 |
| RES KWH PER CUST PER MO | 876 | 873 | 868 | 814 | 863 | 0.4 | 0.5 | 6.6 | -5.6 | 2.8 | 0.9 | 0.6 |
| CONSTR EXP(000 $) | 36,846 | 32,151 | 34,921 | 42,734 | 31,770 | 14.6 | -7.9 | -18.3 | 34.5 | 7.1 | 4.4 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | | | | | | | |
| **FINANCIAL DATA** | | | | | | | | | | | | |
| EARNINGS PER SHARE($) | 1.92 | 2.15 | 1.90 | 1.90 | 1.81 | -10.7 | 13.2 | 0.0 | 5.0 | 50.8 | 9.9 | -0.8 |
| DIVIDENDS PER SHARE($) | 1.32 | 1.25 | 1.19 | 1.13 | 1.06 | 5.6 | 5.0 | 5.3 | 6.6 | 1.9 | 4.9 | -0.8 |
| STOCK PRICE($) | 22.12 | 20.13 | 13.75 | 12.80 | 10.01 | 9.9 | 46.4 | 7.4 | 27.9 | 24.3 | 22.4 | 8.8 |
| BOOK VALUE PER SHARE($) | 15.41 | 14.64 | 13.62 | 12.96 | 12.24 | 5.3 | 7.5 | 5.1 | 5.9 | 3.0 | 5.3 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 12.7 | 15.2 | 14.2 | 14.6 | 14.1 | 14.2 | 15.6 |
| AFC TO EARN | 1.5 | 1.6 | 6.0 | 9.5 | 7.5 | 5.2 | 51.4 |
| YIELD | 6.2 | 7.4 | 9.0 | 9.9 | 11.7 | 8.8 | 9.1 |
| PAYOUT RATIO | 68.8 | 58.1 | 62.6 | 59.5 | 58.6 | 61.5 | 61.4 |
| MARKET TO BOOK | 143.5 | 137.5 | 101.0 | 98.8 | 81.8 | 112.5 | 106.4 |
| PE RATIO(X) | 11.0 | 7.9 | 7.0 | 6.0 | 5.0 | 7.4 | 6.8 |
| INTERNAL GEN | 67.8 | 76.4 | 65.9 | 46.9 | 54.2 | 62.3 | 32.1 |
| INT COV INCL AFC(X) | 3.1 | 3.4 | 3.2 | 3.1 | 2.6 | 3.1 | 3.3 |
| INT COV EXCL AFC(X) | 3.1 | 3.3 | 3.1 | 3.0 | 2.5 | 3.0 | 2.6 |
| CASH FLOW COV OF DIV | 3.6 | 3.7 | 3.8 | 4.0 | 4.3 | 3.9 | 2.0 |
| LONG TERM DEBT RATIO | 45.8 | 47.6 | 46.5 | 49.0 | 52.5 | 48.3 | 46.3 |
| COMMON EQUITY RATIO | 47.6 | 45.4 | 45.4 | 42.4 | 41.5 | 44.5 | 44.2 |
| PREFERRED STOCK RATIO | 6.6 | 7.0 | 8.1 | 8.7 | 6.0 | 7.3 | 9.5 |
| EFFECTIVE TAX RATE | 43.0 | 43.7 | 43.1 | 43.5 | 43.3 | 43.3 | 31.8 |
| BOND RATING | A2/A | A2/A | A2/A | A2/AA | A2/A- | | |
| PCT TPUC JURIS SALES | 78.9 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
TEXAS-NEW MEXICO POWER CO (TNP)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 356,293 | 429,854 | 398,067 | 361,190 | 341,889 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -17.1 | 8.0 | 10.2 | 5.6 | 24.1 | 5.3 | 4.8 | | | | | | | |
| FUEL & PP | 250,793 | 326,095 | 305,658 | 278,304 | 268,667 | | | 70.4 | 75.9 | 76.8 | 77.1 | 78.6 | 75.7 | 51.2 |
| | -23.1 | 6.7 | 9.8 | 3.6 | 24.7 | 3.1 | 1.5 | | | | | | | |
| O & M | 40,540 | 37,104 | 33,222 | 30,781 | 28,603 | | | 11.4 | 8.6 | 8.3 | 8.5 | 8.4 | 9.0 | 16.1 |
| | 9.3 | 11.7 | 7.9 | 7.6 | 8.3 | 8.9 | 9.7 | | | | | | | |
| DEPR | 13,234 | 12,180 | 10,828 | 9,569 | 8,147 | | | 3.7 | 2.8 | 2.7 | 2.6 | 2.4 | 2.9 | 5.4 |
| | 8.7 | 12.5 | 13.2 | 17.5 | 17.4 | 13.8 | 10.0 | | | | | | | |
| CURR FIT | 4,001 | 6,324 | 2,646 | 2,552 | 1,169 | | | 1.1 | 1.5 | 0.7 | 0.7 | 0.3 | 0.9 | 2.2 |
| DEF TAX | 7,467 | 4,373 | 5,093 | 3,758 | 3,229 | | | 2.1 | 1.0 | 1.3 | 1.0 | 0.9 | 1.3 | 2.8 |
| ITC | 54 | 1,803 | 3,055 | 3,209 | 2,841 | | | 0.0 | 0.4 | 0.8 | 0.9 | 0.8 | 0.6 | 1.5 |
| FIT | 11,522 | 12,500 | 10,794 | 9,519 | 7,239 | | | 3.2 | 2.9 | 2.7 | 2.6 | 2.1 | 2.7 | 6.4 |
| | -7.8 | 15.8 | 13.4 | 31.5 | 81.1 | 23.6 | 5.1 | | | | | | | |
| OTH TAX | 12,359 | 13,251 | 12,099 | 11,095 | 9,880 | | | 3.5 | 3.1 | 3.0 | 3.1 | 2.9 | 3.1 | 4.6 |
| | -6.7 | 9.5 | 9.0 | 12.3 | 29.7 | 10.2 | 9.7 | | | | | | | |
| OPER INC | 27,845 | 28,724 | 25,466 | 21,922 | 19,353 | | | 7.8 | 6.7 | 6.4 | 6.1 | 5.7 | 6.5 | 16.1 |
| | -3.1 | 12.8 | 16.2 | 13.3 | 28.6 | 13.1 | 6.3 | | | | | | | |
| AFC | 211 | 251 | 770 | 1,076 | 667 | | | 0.1 | 0.1 | 0.2 | 0.3 | 0.2 | 0.2 | 6.4 |
| | -15.9 | -67.4 | -28.4 | 61.3 | 156.5 | -4.1 | 26.7 | | | | | | | |
| OTH INC | 385 | 534 | 101 | 147 | 35 | | | 0.1 | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| INTEREST | 12,691 | 12,531 | 11,786 | 10,582 | 10,464 | | | 3.6 | 2.9 | 3.0 | 2.9 | 3.1 | 3.1 | 8.9 |
| | 1.3 | 6.3 | 11.4 | 1.1 | 9.1 | 5.8 | 12.6 | | | | | | | |
| NET INCOME | 15,750 | 16,978 | 14,551 | 12,563 | 9,591 | | | 4.4 | 3.9 | 3.7 | 3.5 | 2.8 | 3.7 | 13.7 |
| | -7.2 | 16.7 | 15.8 | 31.0 | 62.0 | 21.6 | 12.1 | | | | | | | |
| PREF DIV | 1,527 | 1,568 | 1,610 | 1,216 | 743 | | | 0.4 | 0.4 | 0.4 | 0.3 | 0.2 | 0.4 | 1.5 |
| | -2.6 | -2.6 | 32.4 | 63.7 | -5.2 | 14.3 | 10.9 | | | | | | | |
| INC TO COM | 14,223 | 15,410 | 12,941 | 11,347 | 8,848 | | | 4.0 | 3.6 | 3.3 | 3.1 | 2.6 | 3.3 | 12.1 |
| | -7.7 | 19.1 | 14.0 | 28.2 | 72.3 | 22.6 | 12.3 | | | | | | | |
| COMMON DIV | 9,775 | 8,966 | 8,119 | 6,755 | 5,169 | | | 2.7 | 2.1 | 2.0 | 1.9 | 1.5 | 2.1 | 7.8 |
| | 9.0 | 10.4 | 20.2 | 30.7 | 14.6 | 16.7 | 13.6 | | | | | | | |
| INC TO RE | 4,448 | 6,444 | 4,822 | 4,592 | 3,679 | | | 1.2 | 1.5 | 1.2 | 1.3 | 1.1 | 1.3 | 4.3 |

# TEXAS PUC - COMPANY ANALYSIS REPORT
# TEXAS-NEW MEXICO POWER CO (TNP)
# FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

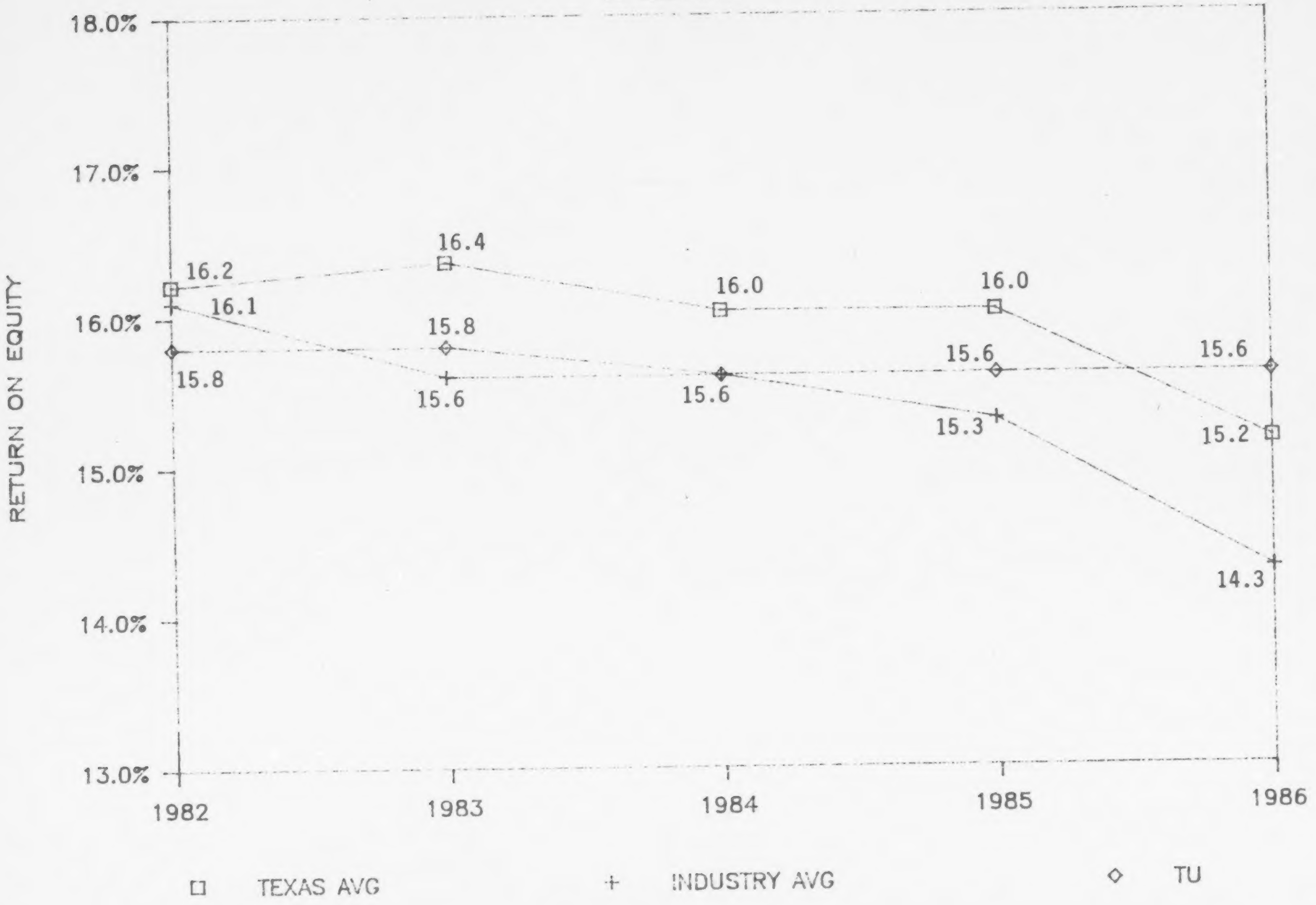
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 388,573 | 360,245 | 330,565 | 292,642 | 255,376 | | | 104.7 | 105.4 | 104.5 | 104.6 | 107.6 | 105.4 | 74.5 |
| CWIP & OTH | 5,236 | 1,168 | 2,844 | 8,406 | 4,954 | | | 1.4 | 0.3 | 0.9 | 3.0 | 2.1 | 1.5 | 35.8 |
| TOTAL PLANT | 393,809 | 361,413 | 333,409 | 301,048 | 260,330 | | | 106.1 | 105.8 | 105.4 | 107.6 | 109.7 | 106.9 | 110.3 |
| ACCUM DEPR | 84,830 | 76,381 | 68,734 | 61,534 | 55,013 | | | 22.9 | 22.4 | 21.7 | 22.0 | 23.2 | 22.4 | 19.1 |
| NET PLANT | 308,979 | 285,032 | 264,675 | 239,514 | 205,317 | | | 83.2 | 83.4 | 83.7 | 85.6 | 86.5 | 84.5 | 91.2 |
| | 8.4 | 7.7 | 10.5 | 16.7 | 13.4 | 11.3 | 11.3 | | | | | | | |
| CASH & INV | 13,113 | 14,315 | 7,594 | 7,221 | 2,747 | | | 3.5 | 4.2 | 2.4 | 2.6 | 1.2 | 2.8 | 1.5 |
| ACCTS REC | 20,806 | 21,740 | 25,810 | 22,657 | 19,527 | | | 5.6 | 6.4 | 8.2 | 8.1 | 8.2 | 7.3 | 2.7 |
| INVENTORY | 5,473 | 5,360 | 5,525 | 5,963 | 5,584 | | | 1.5 | 1.6 | 1.7 | 2.1 | 2.4 | 1.9 | 1.8 |
| OTH CURRENT | 4,148 | 701 | 3,448 | 790 | 2,873 | | | 1.1 | 0.2 | 1.1 | 0.3 | 1.2 | 0.8 | 0.4 |
| TOTAL CURR | 43,540 | 42,116 | 42,377 | 36,631 | 30,731 | | | 11.7 | 12.3 | 13.4 | 13.1 | 13.0 | 12.7 | 6.4 |
| | 3.4 | -0.6 | 15.7 | 19.2 | 20.1 | 11.2 | 13.6 | | | | | | | |
| OTH ASSETS | 18,702 | 14,559 | 9,314 | 3,575 | 1,195 | | | 5.0 | 4.3 | 2.9 | 1.3 | 0.5 | 2.8 | 2.4 |
| TOTAL ASSETS | 371,221 | 341,707 | 316,366 | 279,720 | 237,243 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 8.6 | 8.0 | 13.1 | 17.9 | 13.7 | 12.2 | 12.0 | | | | | | | |
| COMMON EQ | 115,989 | 107,297 | 96,130 | 86,007 | 69,104 | | | 31.2 | 31.4 | 30.4 | 30.7 | 29.1 | 30.6 | 34.5 |
| | 8.1 | 11.6 | 11.8 | 24.5 | 23.2 | 15.6 | 12.7 | | | | | | | |
| PREF STOCK | 16,120 | 16,600 | 17,080 | 17,560 | 10,040 | | | 4.3 | 4.9 | 5.4 | 6.3 | 4.2 | 5.0 | 7.4 |
| | -2.9 | -2.8 | -2.7 | 74.9 | -4.6 | 8.9 | 9.8 | | | | | | | |
| LT DEBT | 111,424 | 112,506 | 98,438 | 99,370 | 87,306 | | | 30.0 | 32.9 | 31.1 | 35.5 | 36.8 | 33.3 | 36.1 |
| | -1.0 | 14.3 | -0.9 | 13.8 | 19.7 | 8.9 | 11.7 | | | | | | | |
| TOTAL CAP | 243,533 | 236,403 | 211,648 | 202,937 | 166,450 | | | 65.6 | 69.2 | 66.9 | 72.6 | 70.2 | 68.9 | 78.0 |
| | 3.0 | 11.7 | 4.3 | 21.9 | 19.3 | 11.8 | 11.9 | | | | | | | |
| ST DEBT | 9,044 | 898 | 12,382 | 2,804 | 2,562 | | | 2.4 | 0.3 | 3.9 | 1.0 | 1.1 | 1.7 | 1.6 |
| OTH CURRENT | 42,092 | 37,773 | 38,788 | 33,549 | 35,122 | | | 11.3 | 11.1 | 12.3 | 12.0 | 14.8 | 12.3 | 6.8 |
| TOTAL CURR | 51,136 | 38,671 | 51,170 | 36,353 | 37,684 | | | 13.8 | 11.3 | 16.2 | 13.0 | 15.9 | 14.0 | 8.4 |
| | 32.2 | -24.4 | 40.8 | -3.5 | -10.2 | 4.0 | 6.3 | | | | | | | |
| ACC DEF TAX | 51,477 | 42,655 | 31,255 | 22,548 | 18,581 | | | 13.9 | 12.5 | 9.9 | 8.1 | 7.8 | 10.4 | 7.7 |
| | 20.7 | 36.5 | 38.6 | 21.3 | 23.7 | 27.9 | 18.6 | | | | | | | |
| ACC ITC | 21,426 | 21,109 | 19,378 | 15,742 | 12,634 | | | 5.8 | 6.2 | 6.1 | 5.6 | 5.3 | 5.8 | 5.4 |
| | 1.5 | 8.9 | 23.1 | 24.6 | 23.6 | 16.0 | 11.3 | | | | | | | |
| OTH LIAB | 3,649 | 2,871 | 2,915 | 2,140 | 1,894 | | | 1.0 | 0.8 | 0.9 | 0.8 | 0.8 | 0.9 | 0.5 |
| LIAB AND EQ | 371,221 | 341,709 | 316,366 | 279,720 | 237,243 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section IX - TU Electric

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1982-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Megawatt Peak Demand 1982-1986
11. Fuel Mix 1982-1986
12. Operating Data 1982-1986
13. Income Statement Analysis 1982-1986
14. Balance Sheet Analysis 1982-1986

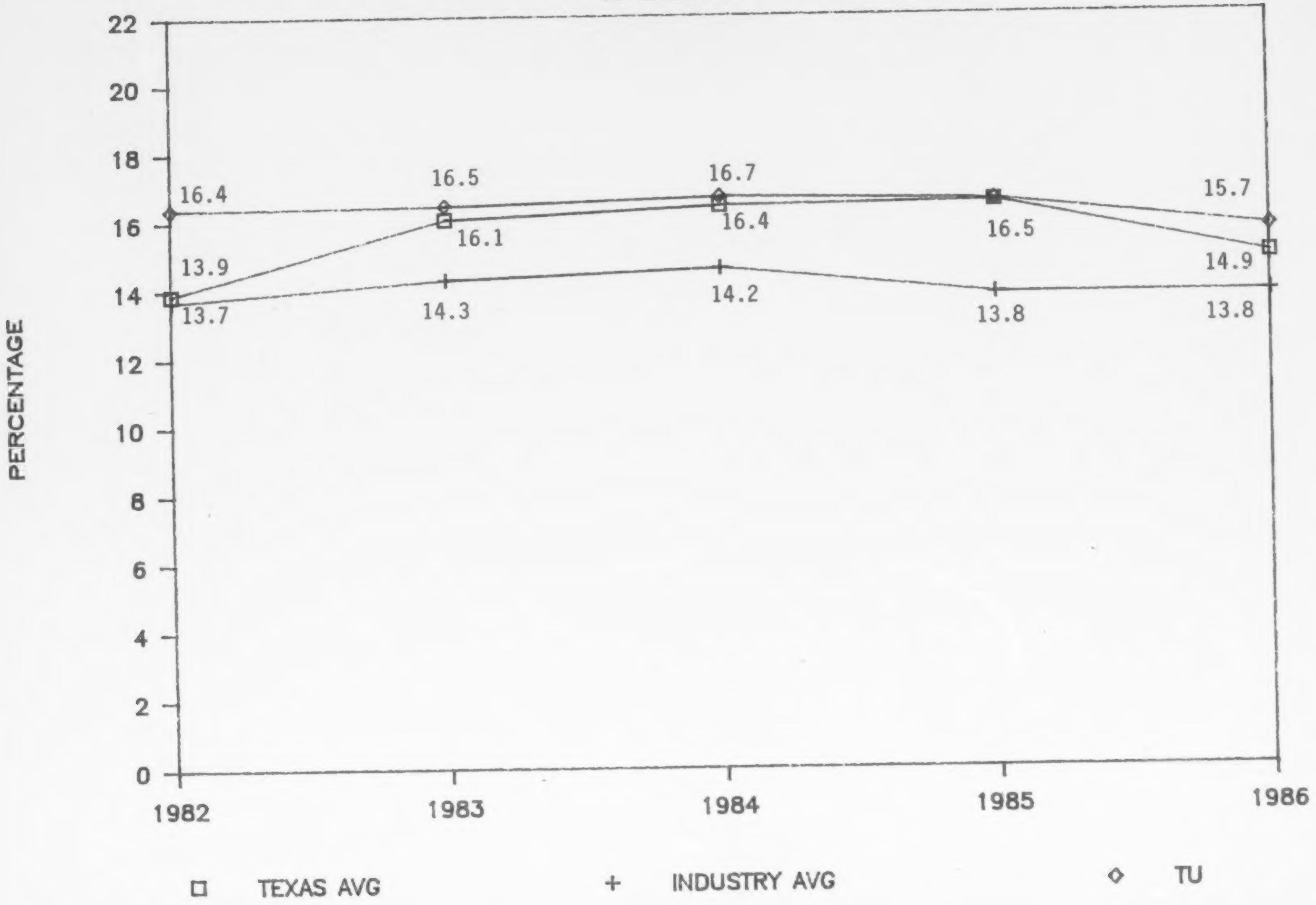
# ALLOWED RETURN ON EQUITY

TU ELECTRIC



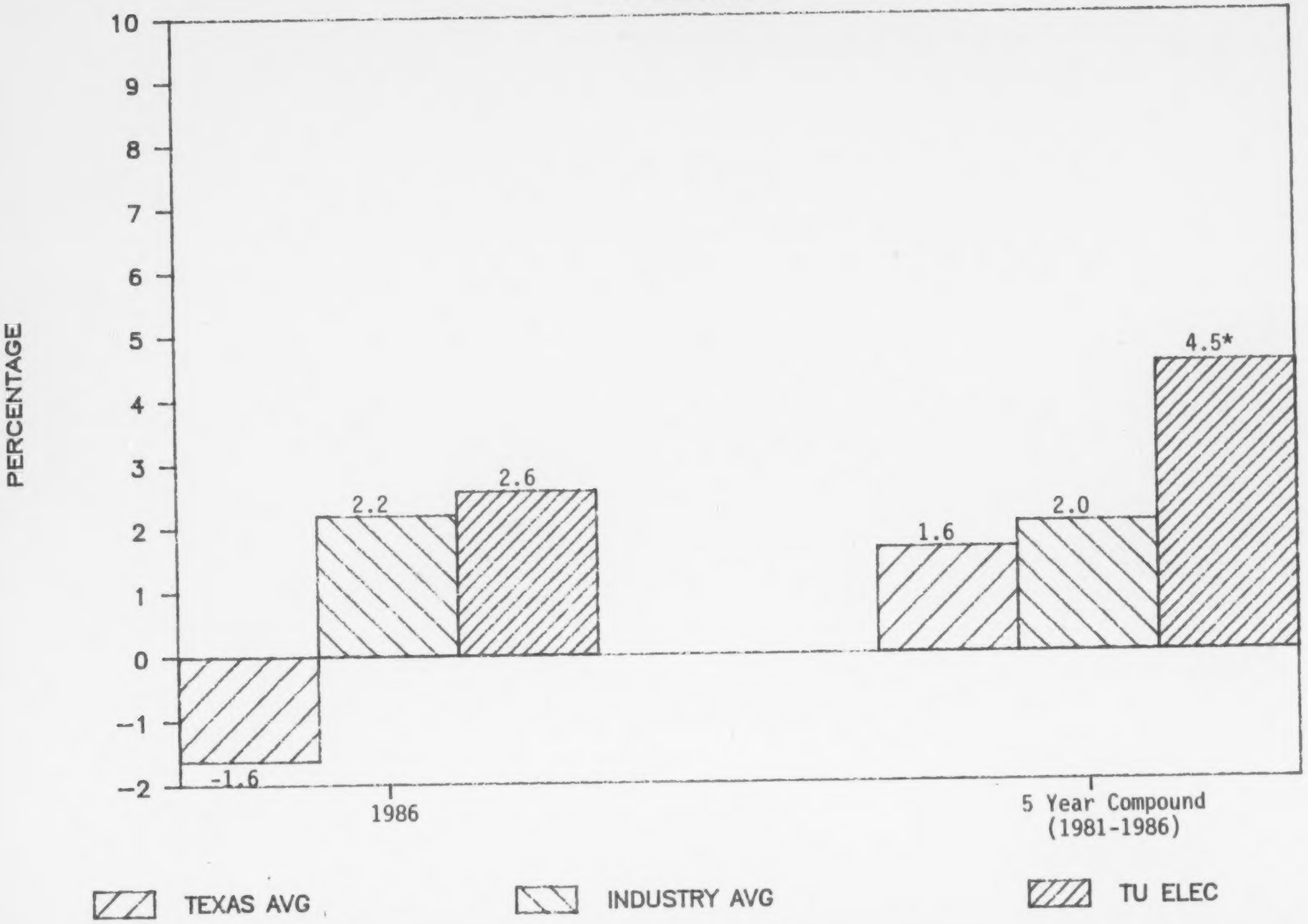
# EARNED RETURN ON EQUITY

TU ELECTRIC



# MWH SALES GROWTH

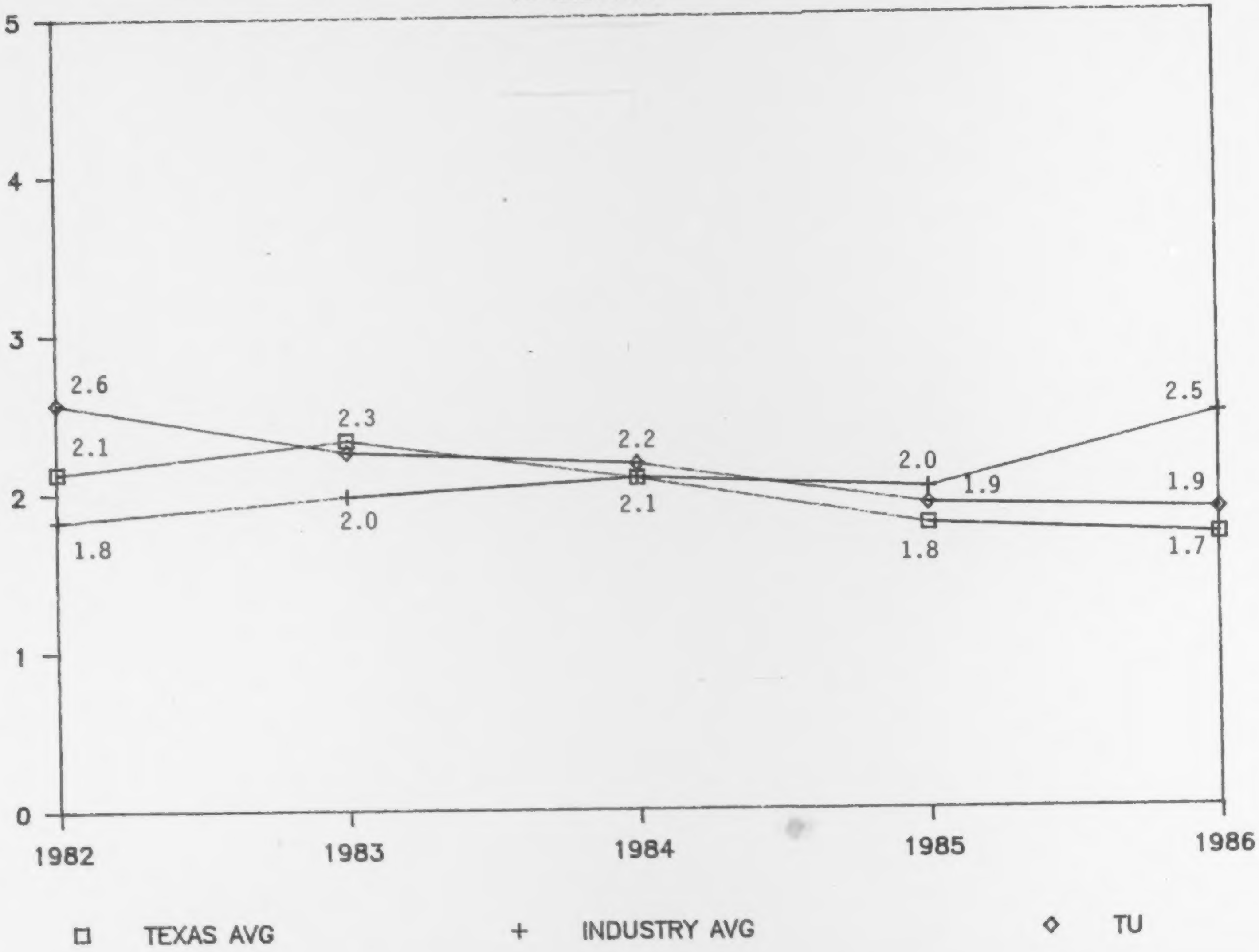
## TU ELECTRIC



* 4 Year Compound Growth (1982-1986)

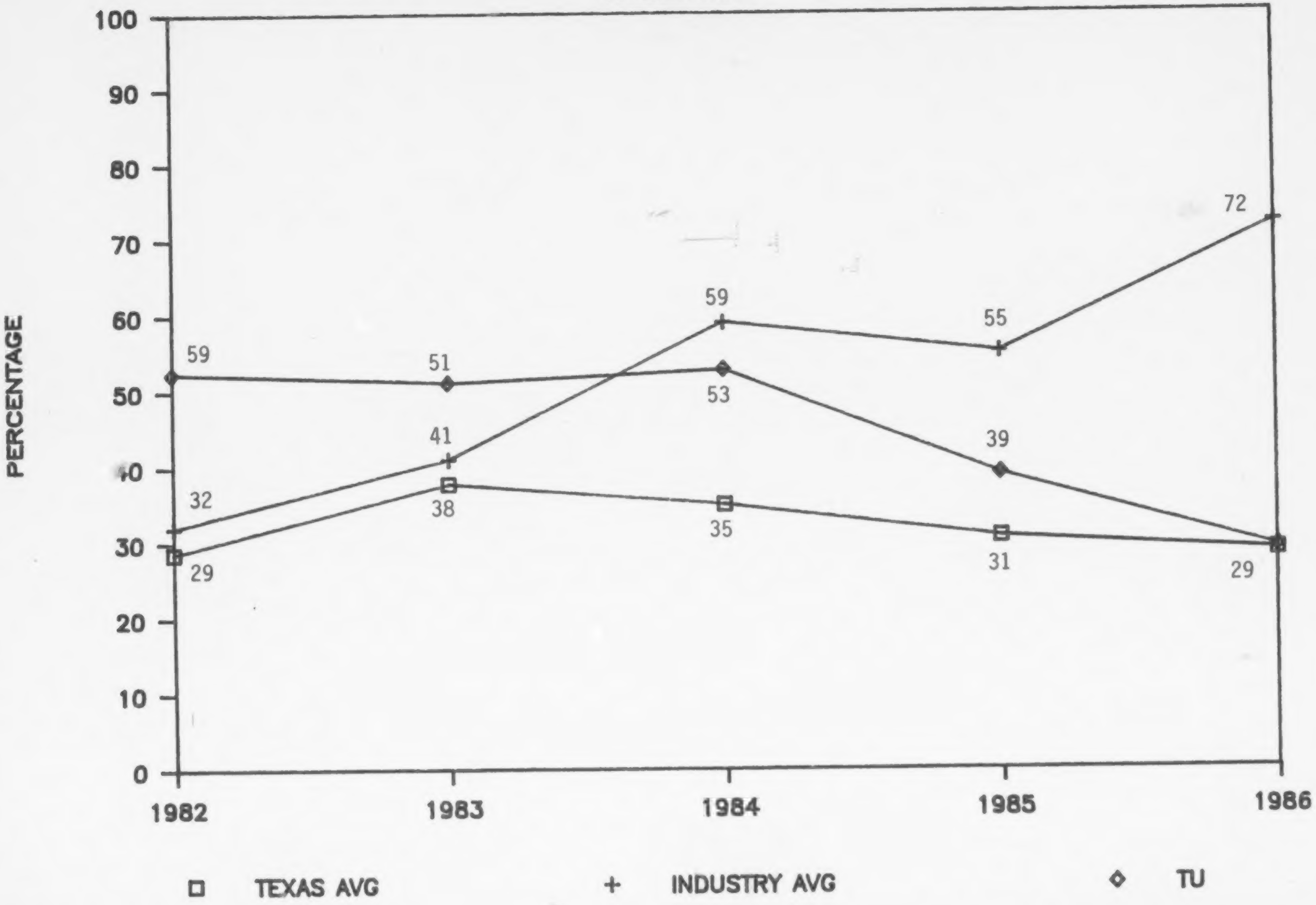
# CASH FLOW COVERAGE OF DIVIDENDS

## TU ELECTRIC



# FUNDS GENERATED INTERNALLY (%)

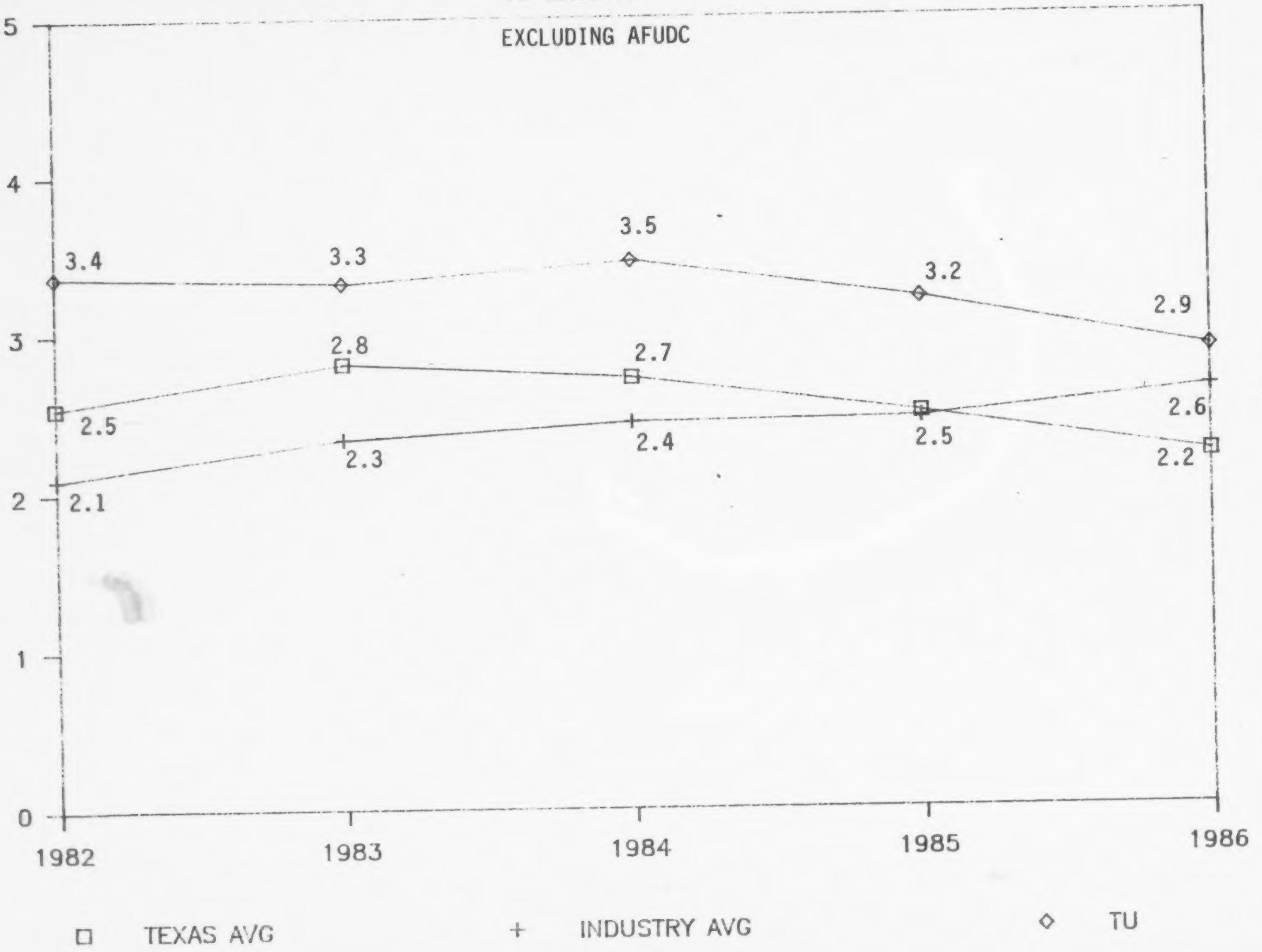
## TU ELECTRIC



# PRE-TAX INTEREST COVERAGE

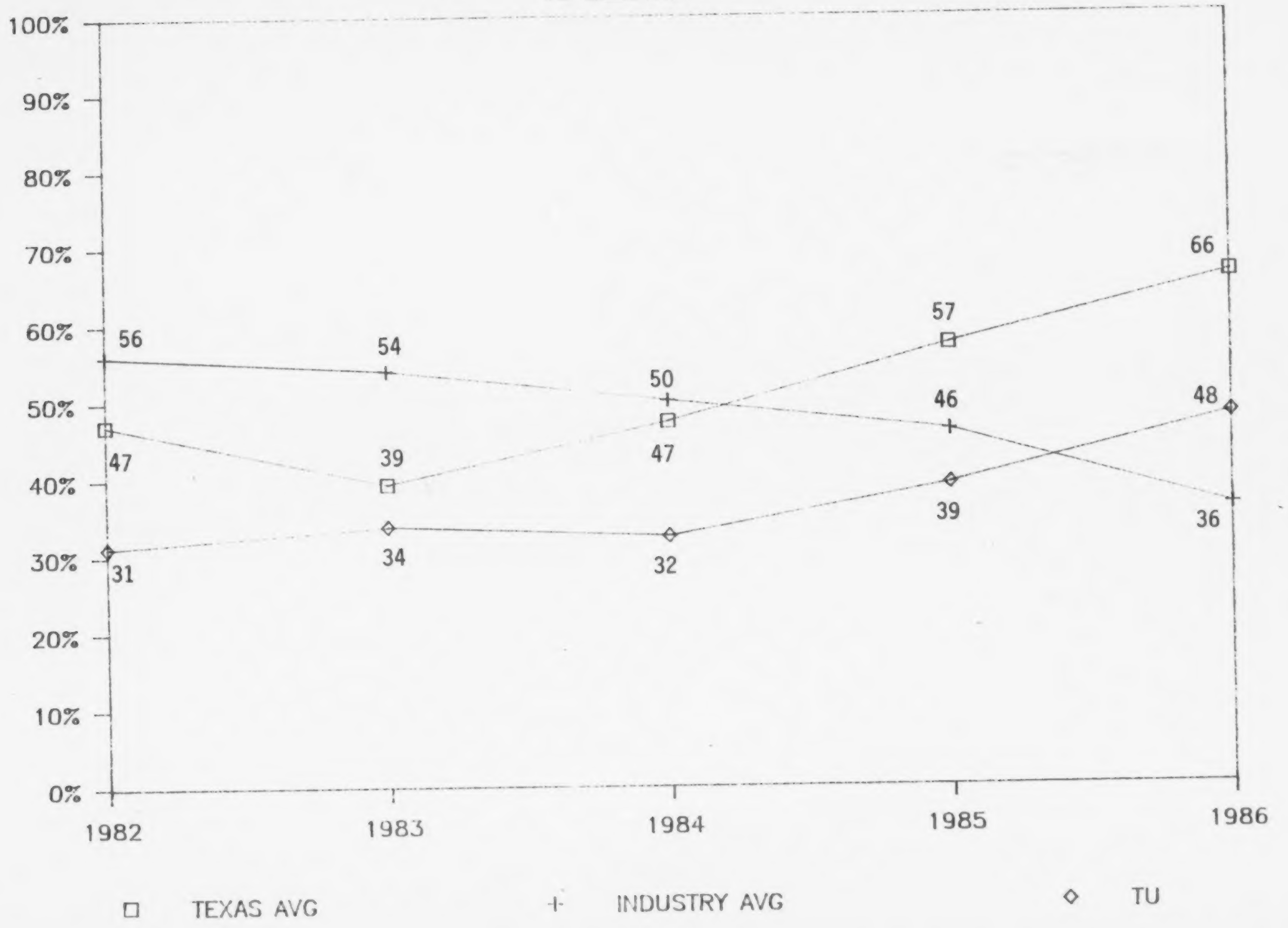
TU ELECTRIC

EXCLUDING AFUDC



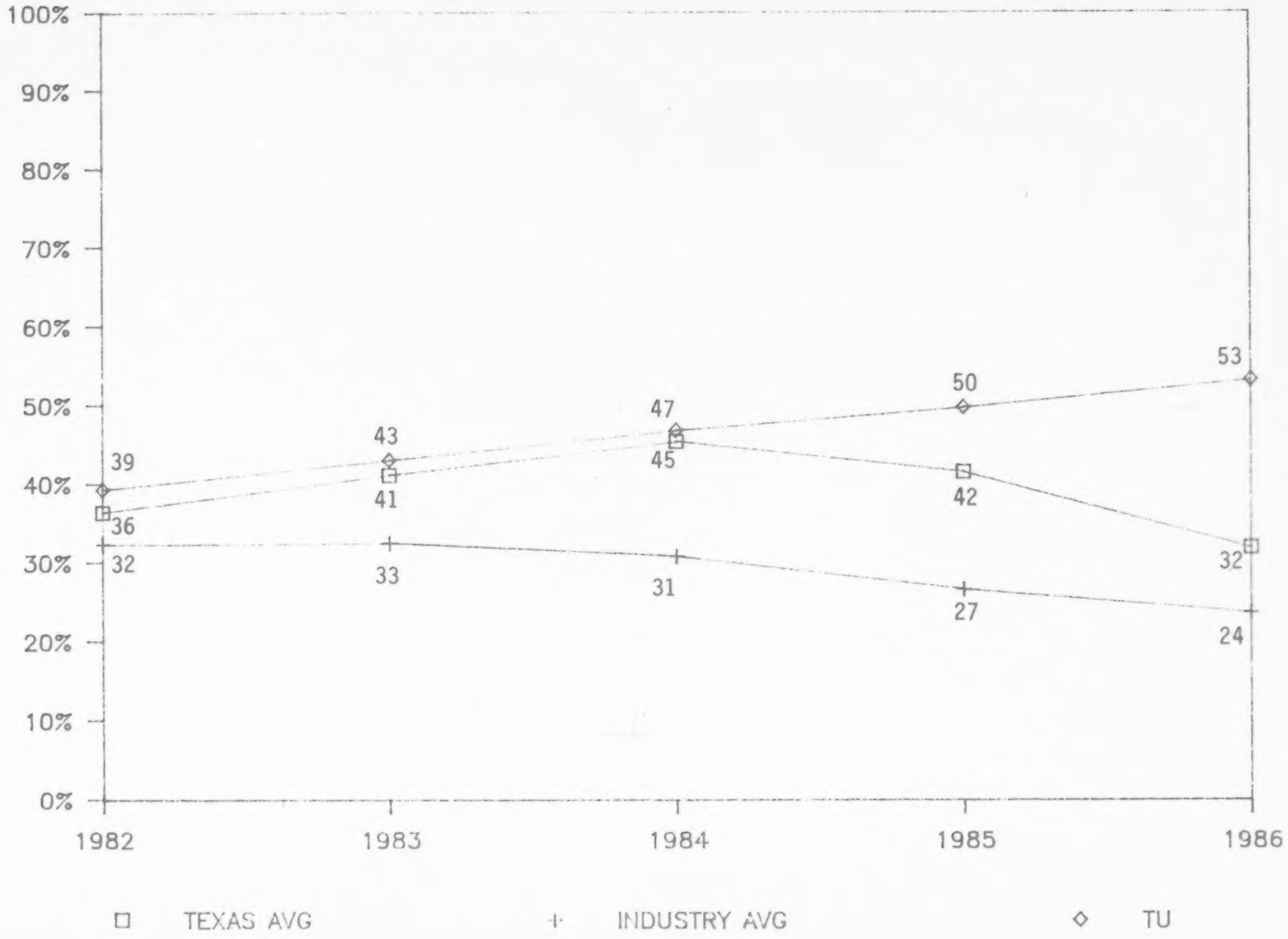
# RATIO OF AFUDC TO INCOME TO COMMON

TU ELECTRIC



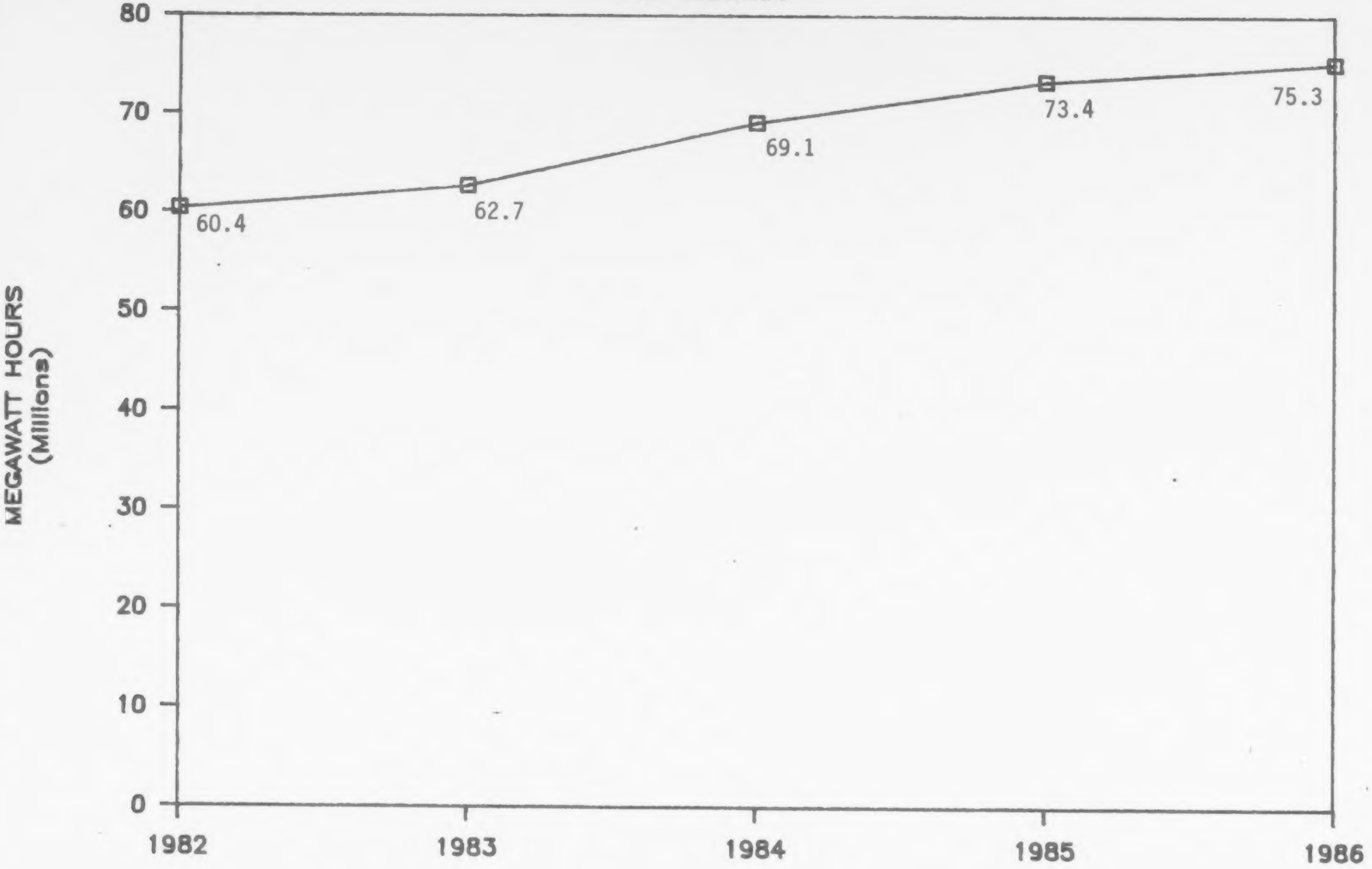
# CWIP AS A % OF NET PLANT

TU ELECTRIC



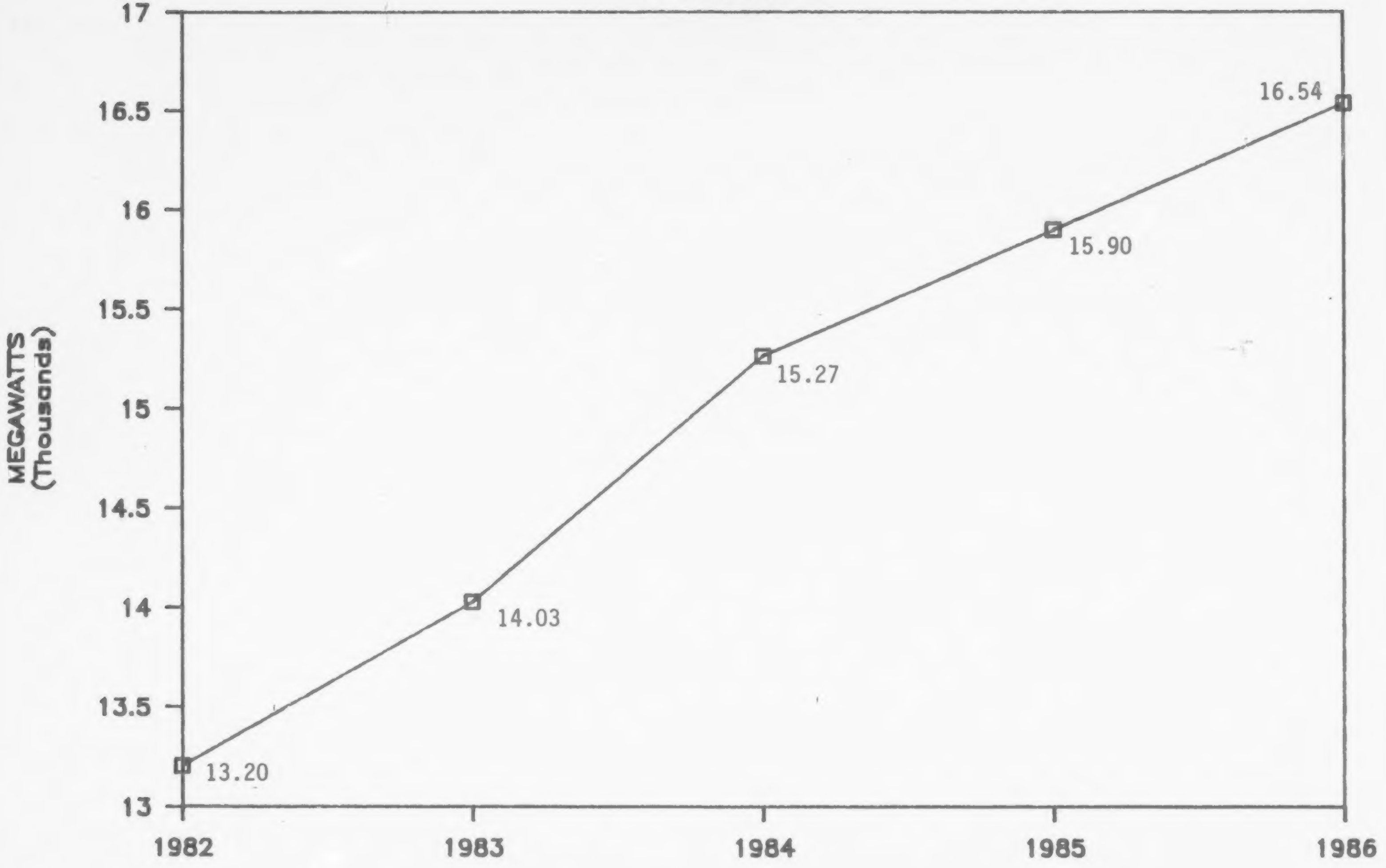
# MWH SALES

TU ELECTRIC



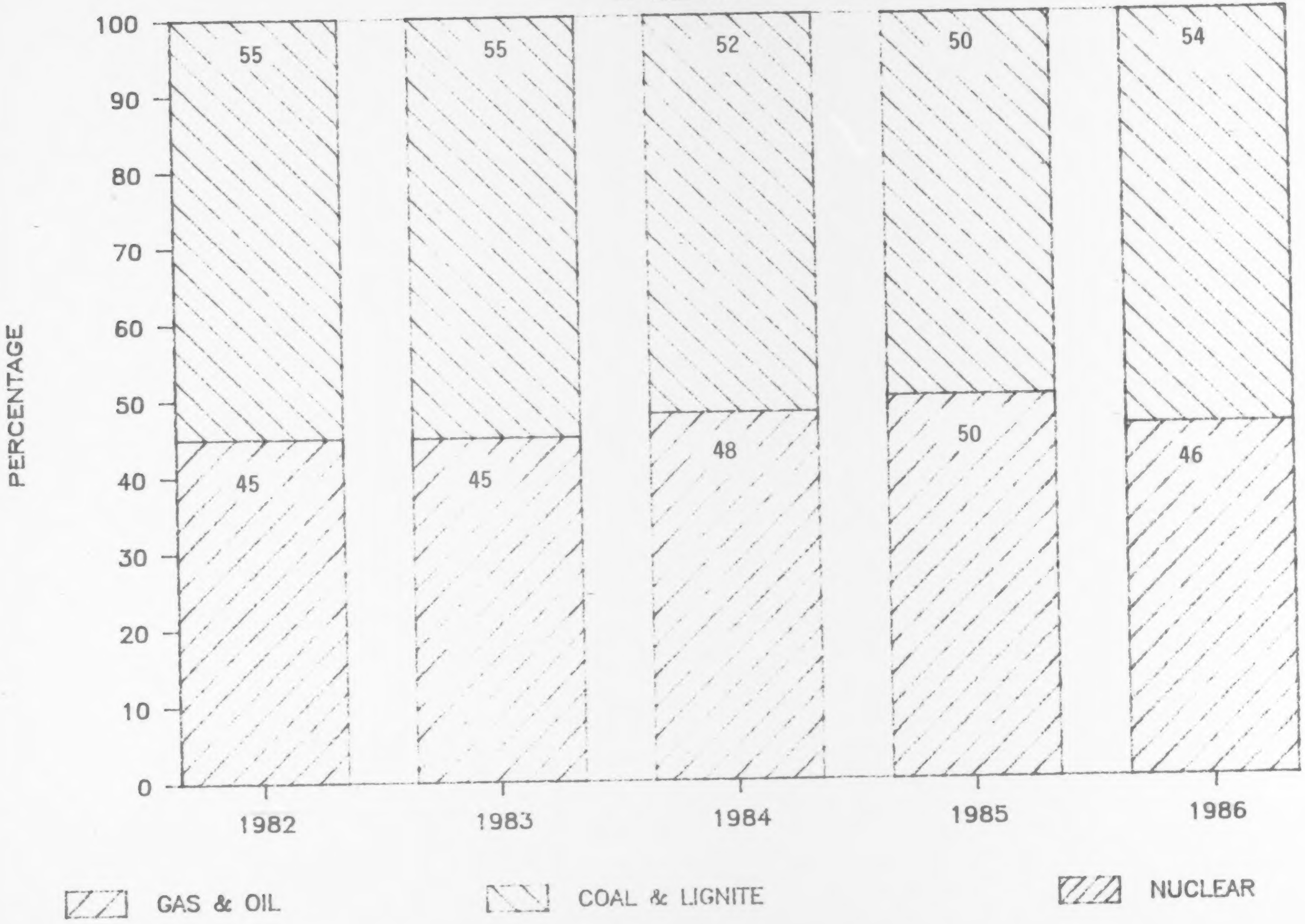
# PEAK DEMAND

TU ELECTRIC



# FUEL MIX

## TU ELECTRIC



TEXAS PUC - COMPANY ANALYSIS REPORT
TU ELECTRIC (TU)
FOR THE FIVE YEARS ENDED 1986

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 4 YR COMP | 5 YR TEXAS |
| MWH SALES (000) | 75,255 | 73,370 | 69,126 | 62,710 | 60,380 | 2.6 | 6.1 | 10.2 | 3.9 | 5.7 | 1.6 |
| MW PEAK DEMAND | 16,537 | 15,898 | 15,265 | 14,029 | 13,204 | 4.0 | 4.1 | 8.8 | 6.2 | 5.8 | 2.7 |
| RESERVE MARGIN | 14.0 | 17.1 | 17.3 | 28.0 | 36.0 | | | | | | |
| RES CENTS PER KWH | 6.2 | 6.9 | 6.8 | 6.5 | 6.2 | -9.7 | 1.1 | 5.1 | 4.5 | 0.0 | 2.9 |
| RES KWH PER CUST PER MO | 1,144 | 1,179 | 1,172 | 1,108 | 1,125 | -3.0 | 0.6 | 5.8 | -1.6 | 0.4 | 0.6 |
| CONSTR EXP ($000) | 1,171,351 | 827,345 | 706,821 | 695,786 | 722,634 | 41.6 | 17.1 | 1.6 | -3.7 | 12.8 | 3.6 |
| FUEL MIX: | | | | | | | | | | | |
| GAS/OIL | 46.0 | 50.0 | 48.0 | 45.0 | 45.0 | | | | | | |
| COAL/LIGNITE | 54.0 | 50.0 | 52.0 | 55.0 | 55.0 | | | | | | |

## FINANCIAL DATA

| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 4 YR COMP | 5 YR TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE ($) | 4.45 | 4.35 | 4.15 | 3.90 | 3.85 | 2.3 | 4.8 | 6.4 | 1.3 | 3.7 | -0.8 |
| DIVIDENDS PER SHARE ($) | 2.52 | 2.52 | 2.36 | 2.19 | 2.04 | 0.0 | 6.8 | 7.8 | 7.4 | 5.4 | -0.8 |
| STOCK PRICE ($) | 31.50 | 29.88 | 26.38 | 23.25 | 23.50 | 5.4 | 13.3 | 13.5 | -1.1 | 7.6 | 8.8 |
| BOOK VALUE PER SHARE ($) | 31.24 | 29.46 | 27.79 | 26.16 | 24.61 | 6.0 | 6.0 | 6.2 | 6.3 | 6.1 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 15.7 | 16.5 | 16.7 | 16.5 | 16.4 | 16.3 | 15.6 |
| AFC TO EARN | 47.9 | 39.1 | 32.4 | 33.8 | 31.2 | 36.9 | 51.4 |
| YIELD | 8.2 | 9.0 | 9.5 | 9.4 | 8.7 | 8.9 | 9.1 |
| PAYOUT RATIO | 56.6 | 57.9 | 56.9 | 56.2 | 53.0 | 56.1 | 61.4 |
| MARKET TO BOOK | 100.8 | 101.4 | 94.9 | 88.9 | 95.5 | 96.3 | 106.4 |
| PE RATIO (X) | 6.9 | 6.5 | 6.0 | 6.0 | 6.1 | 6.3 | 6.8 |
| INTERNAL GEN | 29.1 | 39.0 | 52.7 | 51.1 | 52.3 | 44.9 | 32.1 |
| INT COV INCL AFC (X) | 3.7 | 3.9 | 4.1 | 3.9 | 3.9 | 3.9 | 3.3 |
| INT COV EXCL AFC (X) | 2.9 | 3.2 | 3.5 | 3.3 | 3.4 | 3.2 | 2.6 |
| CASH FLOW COV OF DIV | 1.9 | 1.9 | 2.2 | 2.3 | 2.6 | 2.2 | 2.0 |
| LONG TERM DEBT RATIO | 41.3 | 39.7 | 40.7 | 41.2 | 43.3 | 41.2 | 46.3 |
| COMMON EQUITY RATIO | 47.2 | 49.3 | 48.2 | 48.3 | 46.3 | 47.9 | 44.2 |
| PREFERRED STOCK RATIO | 11.5 | 11.0 | 11.1 | 10.6 | 10.4 | 10.9 | 9.5 |
| EFFECTIVE TAX RATE | 27.3 | 30.1 | 32.8 | 31.2 | 32.5 | 30.8 | 31.8 |
| BOND RATING | A2/A | A2/A+ | Aa2/AA | Aaa/AAA | Aaa/AA | | |
| PCT TPUC JURIS SALES | 100.0 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
TU ELECTRIC (TU)
FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL ($000) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 4 YR COMP | 5 YR TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 3,927,399 | 4,164,380 | 3,925,738 | 3,487,626 | 3,237,664 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -5.7 | 6.1 | 12.6 | 7.7 | | 4.9 | 4.8 | | | | | | | |
| FUEL & PP | 1,594,174 | 1,899,988 | 1,786,129 | 1,617,809 | 1,452,334 | | | 40.6 | 45.6 | 45.5 | 46.4 | 44.9 | 44.6 | 51.2 |
| | -16.1 | 6.4 | 10.4 | 11.4 | | 2.4 | 1.5 | | | | | | | |
| O&M | 827,838 | 775,888 | 718,452 | 625,283 | 616,774 | | | 21.1 | 18.6 | 18.3 | 17.9 | 19.0 | 19.0 | 16.1 |
| | 6.7 | 8.0 | 14.9 | 1.4 | | 7.6 | 9.7 | | | | | | | |
| DEPR | 209,152 | 195,959 | 192,276 | 191,944 | 179,509 | | | 5.3 | 4.7 | 4.9 | 5.5 | 5.5 | 5.2 | 5.4 |
| | 6.7 | 1.9 | 0.2 | 6.9 | | 3.9 | 10.0 | | | | | | | |
| CURR FIT | 67,320 | 155,864 | 146,613 | 96,009 | 84,357 | | | 1.7 | 3.7 | 3.7 | 2.8 | 2.6 | 2.9 | 2.2 |
| DEF TAX | 133,021 | 55,281 | 79,157 | 82,328 | 67,180 | | | 3.4 | 1.3 | 2.0 | 2.4 | 2.1 | 2.2 | 2.8 |
| ITC | 64,243 | 67,867 | 60,543 | 53,879 | 72,548 | | | 1.6 | 1.6 | 1.5 | 1.5 | 2.2 | 1.7 | 1.5 |
| FIT | 264,584 | 279,012 | 286,313 | 232,216 | 224,085 | | | 6.7 | 6.7 | 7.3 | 6.7 | 6.9 | 6.9 | 6.4 |
| | -5.2 | -2.6 | 23.3 | 3.6 | | 4.2 | 5.1 | | | | | | | |
| OTH TAX | 272,771 | 267,757 | 238,773 | 205,822 | 185,907 | | | 6.9 | 6.4 | 6.1 | 5.9 | 5.7 | 6.2 | 4.6 |
| | 1.9 | 12.1 | 16.0 | 10.7 | | 10.0 | 9.7 | | | | | | | |
| OPER INC | 758,880 | 745,776 | 703,795 | 614,552 | 579,055 | | | 19.3 | 17.9 | 17.9 | 17.6 | 17.9 | 18.1 | 16.1 |
| | 1.8 | 6.0 | 14.5 | 6.1 | | 7.0 | 6.3 | | | | | | | |
| AFC | 303,826 | 229,712 | 171,760 | 158,521 | 136,044 | | | 7.7 | 5.5 | 4.4 | 4.5 | 4.2 | 5.3 | 6.4 |
| | 32.3 | 33.7 | 8.4 | 16.5 | | 22.2 | 26.7 | | | | | | | |
| OTH INC | 6,483 | -2,819 | 2,512 | 3,670 | 8,539 | | | 0.2 | -0.1 | 0.1 | 0.1 | 0.3 | 0.1 | 0.1 |
| INTEREST | 356,897 | 318,252 | 287,302 | 255,842 | 240,899 | | | 9.1 | 7.6 | 7.3 | 7.3 | 7.4 | 7.8 | 8.9 |
| | 12.1 | 10.8 | 12.3 | 6.2 | | 10.3 | 12.6 | | | | | | | |
| NET INCOME | 712,292 | 654,417 | 590,765 | 520,901 | 482,739 | | | 18.1 | 15.7 | 15.0 | 14.9 | 14.9 | 15.7 | 13.7 |
| | 8.8 | 10.8 | 13.4 | 7.9 | | 10.2 | 12.1 | | | | | | | |
| PREF DIV | 78,375 | 66,276 | 60,658 | 51,582 | 46,329 | | | 2.0 | 1.6 | 1.5 | 1.5 | 1.4 | 1.6 | 1.5 |
| | 18.3 | 9.3 | 17.6 | 11.3 | | 14.0 | 10.9 | | | | | | | |
| INC TO COM | 633,917 | 588,141 | 530,107 | 469,319 | 436,410 | | | 16.1 | 14.1 | 13.5 | 13.5 | 13.5 | 14.1 | 12.1 |
| | 7.8 | 10.9 | 13.0 | 7.5 | | 9.8 | 12.3 | | | | | | | |
| COMMON DIV | 395,430 | 354,752 | 317,638 | 283,392 | 241,381 | | | 10.1 | 8.5 | 8.1 | 8.1 | 7.5 | 8.5 | 7.8 |
| | 11.5 | 11.7 | 12.1 | 17.4 | | 13.1 | 13.6 | | | | | | | |
| INC TO RE | 238,487 | 233,389 | 212,469 | 185,927 | 195,029 | | | 6.1 | 5.6 | 5.4 | 5.3 | 6.0 | 5.7 | 4.3 |

TEXAS PUC - COMPANY ANALYSIS REPORT
TU ELECTRIC (TU)
FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

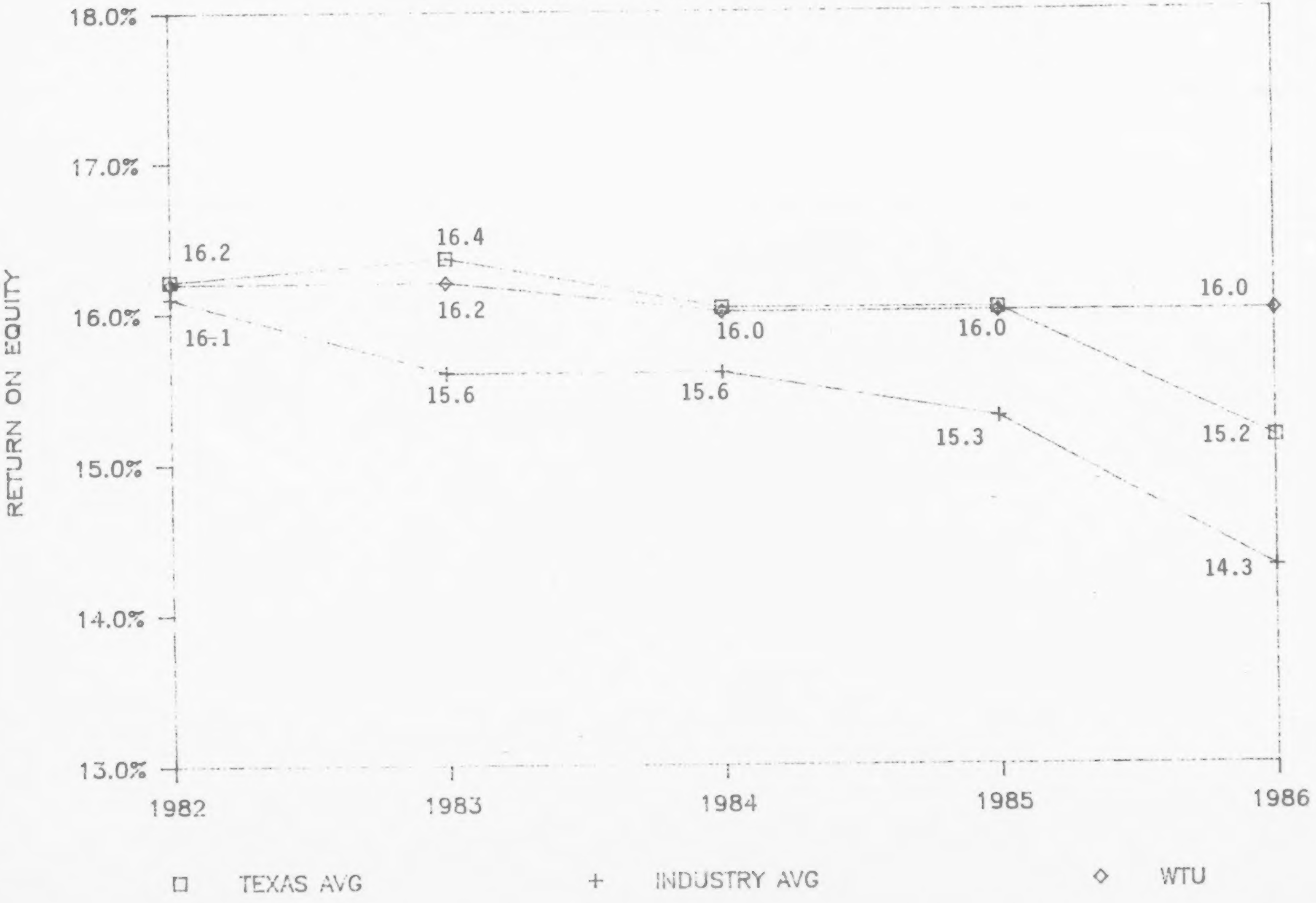
| | LEVEL ($000) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 4 YR COMP | 5 YR TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 7,024,556 | 6,610,843 | 6,231,253 | 5,906,976 | 5,622,612 | | | 62.3 | 67.5 | 71.0 | 74.8 | 78.1 | 70.7 | 74.5 |
| CWIP & OTH | 5,518,693 | 4,543,249 | 3,850,810 | 3,201,080 | 2,646,286 | | | 48.9 | 46.4 | 43.8 | 40.5 | 36.8 | 43.3 | 35.8 |
| TOTAL PLANT | 12,543,249 | 11,154,092 | 10,082,063 | 9,108,056 | 8,268,898 | | | 111.2 | 113.8 | 114.8 | 115.3 | 114.9 | 114.0 | 110.3 |
| ACCUM DEPR | 2,174,441 | 2,011,061 | 1,848,146 | 1,687,098 | 1,539,486 | | | 19.3 | 20.5 | 21.0 | 21.4 | 21.4 | 20.7 | 19.1 |
| NET PLANT | 10,368,808 | 9,143,031 | 8,233,917 | 7,420,958 | 6,729,412 | | | 91.9 | 93.3 | 93.8 | 94.0 | 93.5 | 93.3 | 91.2 |
| | 13.4 | 11.0 | 11.0 | 10.3 | | 11.4 | 11.3 | | | | | | | |
| CASH & INV | 219,172 | 24,826 | 28,605 | 81,387 | 68,852 | | | 1.9 | 0.3 | 0.3 | 1.0 | 1.0 | 0.9 | 1.5 |
| ACCTS REC | 284,191 | 292,015 | 252,366 | 216,047 | 183,749 | | | 2.5 | 3.0 | 2.9 | 2.7 | 2.6 | 2.7 | 2.7 |
| INVENTORY | 208,007 | 218,321 | 215,389 | 110,001 | 164,657 | | | 1.8 | 2.2 | 2.5 | 1.4 | 2.3 | 2.0 | 1.8 |
| OTH CURRENT | 77,593 | 62,709 | 20,175 | 14,783 | 28,745 | | | 0.7 | 0.6 | 0.2 | 0.2 | 0.4 | 0.4 | 0.4 |
| TOTAL CURR | 788,963 | 597,871 | 516,535 | 422,218 | 446,003 | | | 7.0 | 6.1 | 5.9 | 5.3 | 6.2 | 6.1 | 6.4 |
| | 32.0 | 15.7 | 22.3 | -5.3 | | 15.3 | 13.6 | | | | | | | |
| OTH ASSETS | 119,115 | 59,851 | 32,055 | 54,245 | 21,092 | | | 1.1 | 0.6 | 0.4 | 0.7 | 0.3 | 0.6 | 2.4 |
| TOTAL ASSETS | 11,276,886 | 9,800,753 | 8,782,507 | 7,897,421 | 7,196,507 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 15.1 | 11.6 | 11.2 | 9.7 | | 11.9 | 12.0 | | | | | | | |
| COMMON EQ | 4,282,405 | 3,793,118 | 3,319,729 | 3,040,710 | 2,664,888 | | | 38.0 | 38.7 | 37.8 | 38.5 | 37.0 | 38.0 | 34.5 |
| | 12.9 | 14.3 | 9.2 | 14.1 | | 12.6 | 12.7 | | | | | | | |
| PREF STOCK | 1,043,842 | 846,114 | 762,607 | 664,475 | 600,109 | | | 9.3 | 8.6 | 8.7 | 8.4 | 8.3 | 8.7 | 7.4 |
| | 23.4 | 11.0 | 14.8 | 10.7 | | 14.8 | 9.8 | | | | | | | |
| LT DEBT | 3,748,931 | 3,048,329 | 2,798,105 | 2,592,152 | 2,496,773 | | | 33.2 | 31.1 | 31.9 | 32.8 | 34.7 | 32.7 | 36.1 |
| | 23.0 | 8.9 | 7.9 | 3.8 | | 10.7 | 11.7 | | | | | | | |
| TOTAL CAP | 9,075,178 | 7,687,561 | 6,880,441 | 6,297,337 | 5,761,770 | | | 80.5 | 78.4 | 78.3 | 79.7 | 80.1 | 79.4 | 78.0 |
| | 18.1 | 11.7 | 9.3 | 9.3 | | 12.0 | 11.9 | | | | | | | |
| ST DEBT | 22,000 | 139,300 | 198,970 | 82,570 | 106,230 | | | 0.2 | 1.4 | 2.3 | 1.0 | 1.5 | 1.3 | 1.6 |
| OTH CURRENT | 710,184 | 679,978 | 568,204 | 527,571 | 474,037 | | | 6.3 | 6.9 | 6.5 | 6.7 | 6.6 | 6.6 | 6.8 |
| TOTAL CURR | 732,184 | 819,278 | 767,174 | 610,141 | 580,267 | | | 6.5 | 8.4 | 8.7 | 7.7 | 8.1 | 7.9 | 8.4 |
| | -10.6 | 6.8 | 25.7 | 5.1 | | 6.0 | 6.3 | | | | | | | |
| ACC DEF TAX | 781,890 | 660,804 | 565,785 | 485,150 | 404,547 | | | 6.9 | 6.7 | 6.4 | 6.1 | 5.6 | 6.4 | 7.7 |
| | 18.3 | 16.8 | 16.6 | 19.9 | | 17.9 | 18.6 | | | | | | | |
| ACC ITC | 678,102 | 616,099 | 550,882 | 493,046 | 440,920 | | | 6.0 | 6.3 | 6.3 | 6.2 | 6.1 | 6.2 | 5.4 |
| | 10.1 | 11.8 | 11.7 | 11.8 | | 11.4 | 11.3 | | | | | | | |
| OTH LIAB | 9,532 | 17,011 | 18,225 | 11,747 | 9,003 | | | 0.1 | 0.2 | 0.2 | 0.1 | 0.1 | 0.1 | 0.5 |
| LIAB AND EQ | 11,276,886 | 9,800,753 | 8,782,507 | 7,897,421 | 7,196,507 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section X - West Texas Utilities Company

1. Allowed Return on Equity 1982-1986
2. Earned Return on Equity 1982-1986
3. Sales Growth 1981-1986
4. Cash Flow Coverage of Common Dividends 1982-1986
5. Percentage of Funds Internally Generated 1982-1986
6. Pre-tax Interest Coverage Excluding AFUDC 1982-1986
7. Ratio of AFUDC to Income to Common 1982-1986
8. CWIP as a Percentage of Net Plant 1982-1986
9. Total Megawatt Hour Sales 1982-1986
10. Megawatt Peak Demand 1982-1986
11. Fuel Mix 1982-1986
12. Operating Data 1982-1986
13. Income Statement Analysis 1982-1986
14. Balance Sheet Analysis 1982-1986

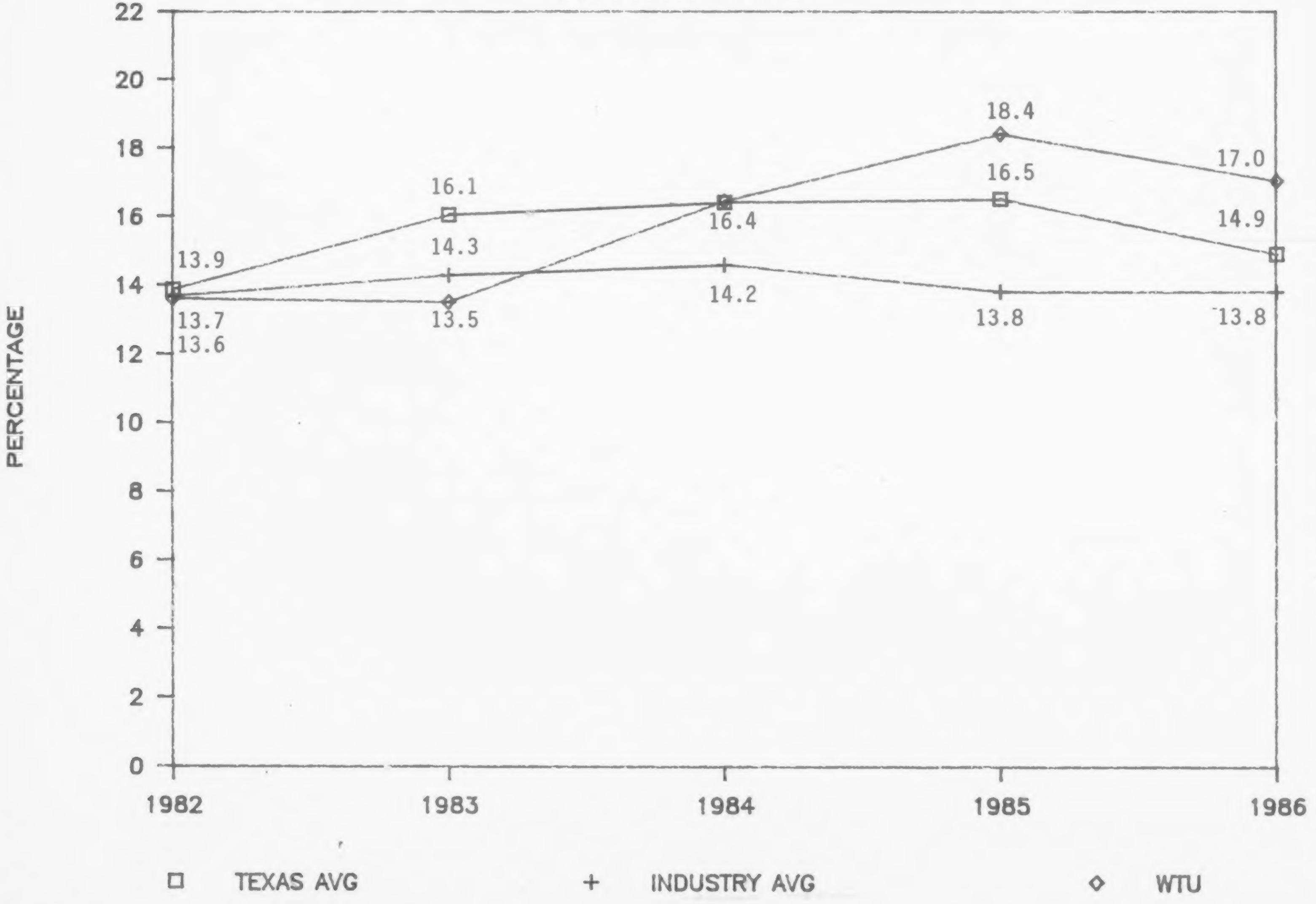
# ALLOWED RETURN ON EQUITY

## WEST TEXAS UTILITIES



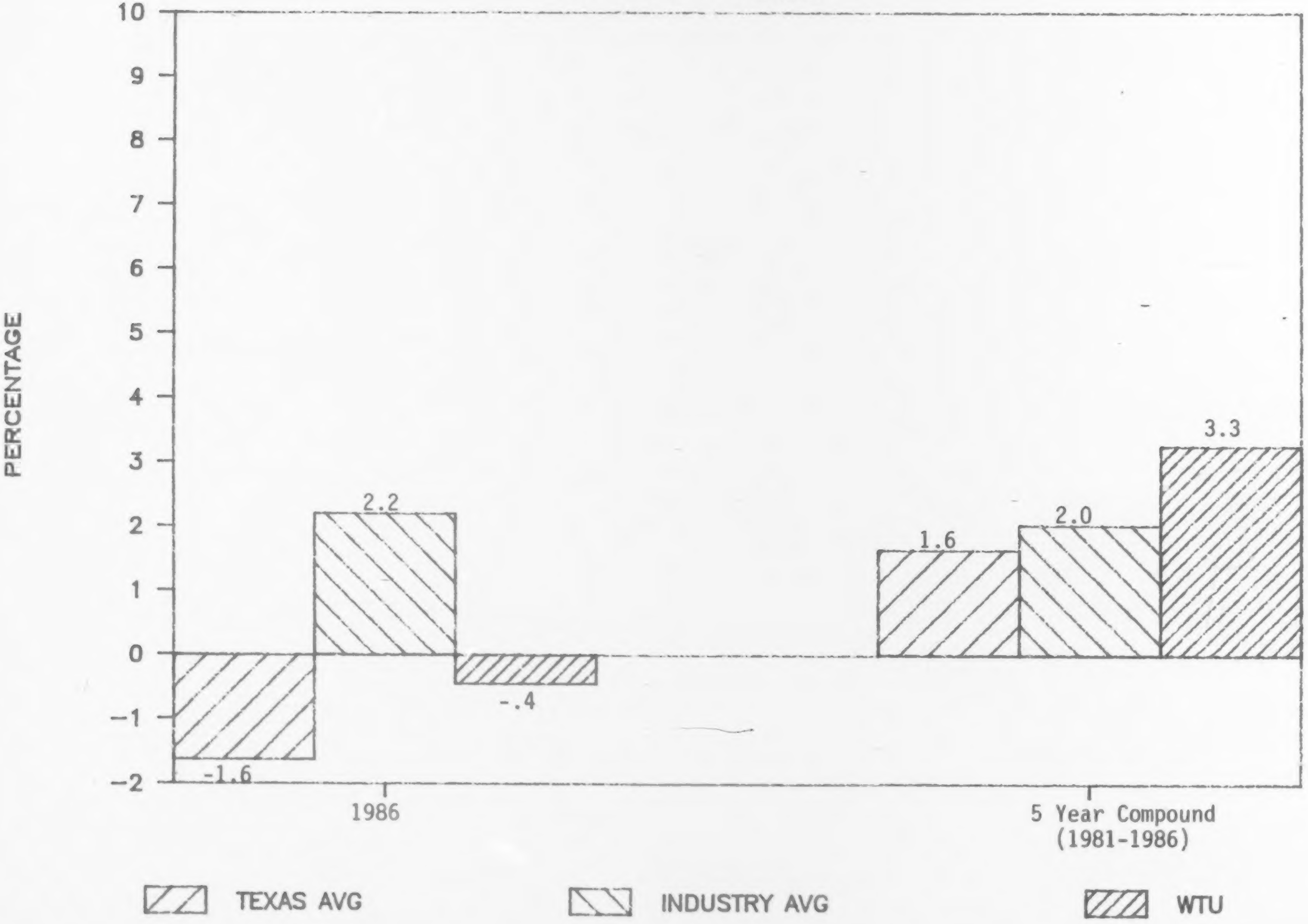
# EARNED RETURN ON EQUITY

## WEST TEXAS UTILITIES



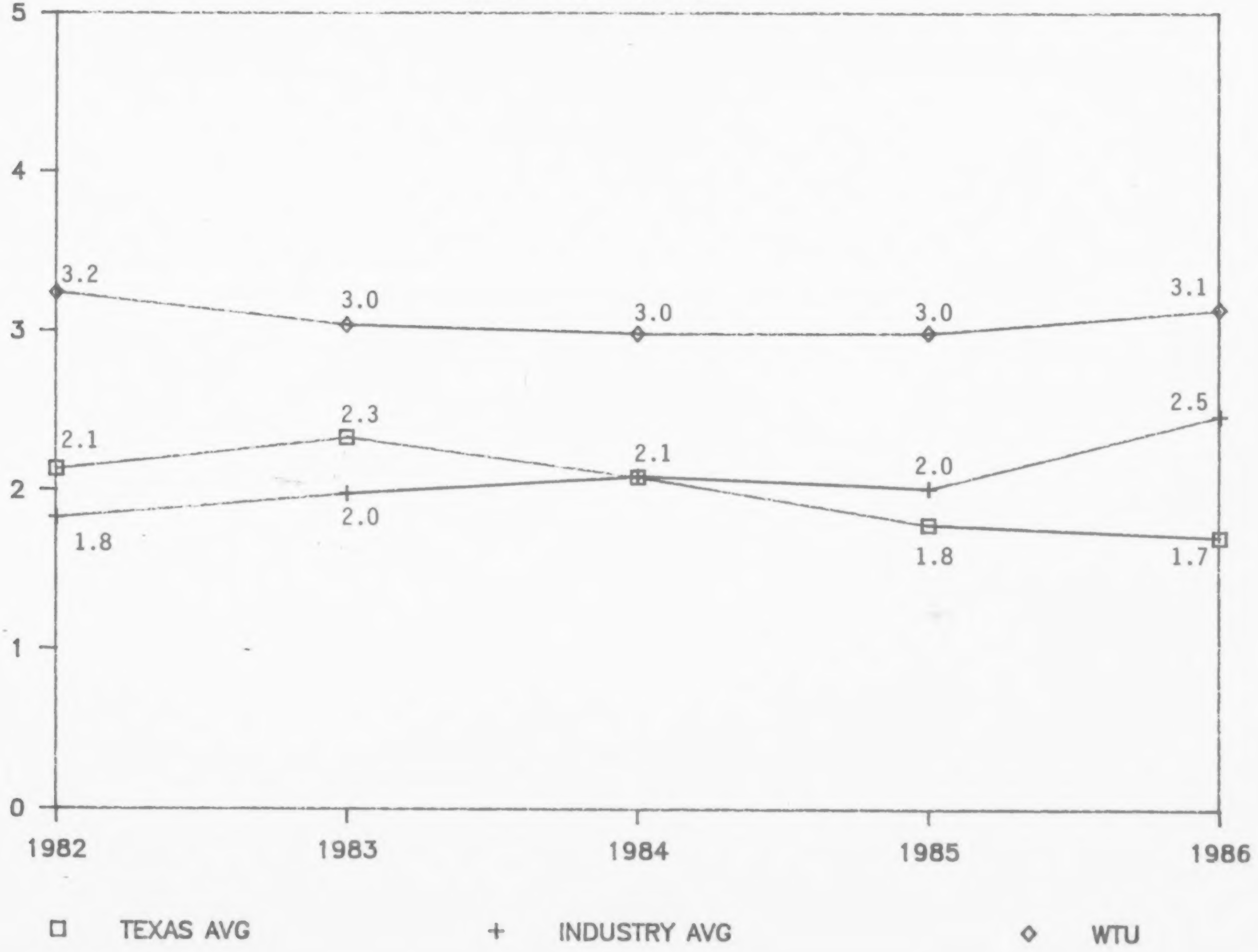
# MWH SALES GROWTH

## WEST TEXAS UTILITIES



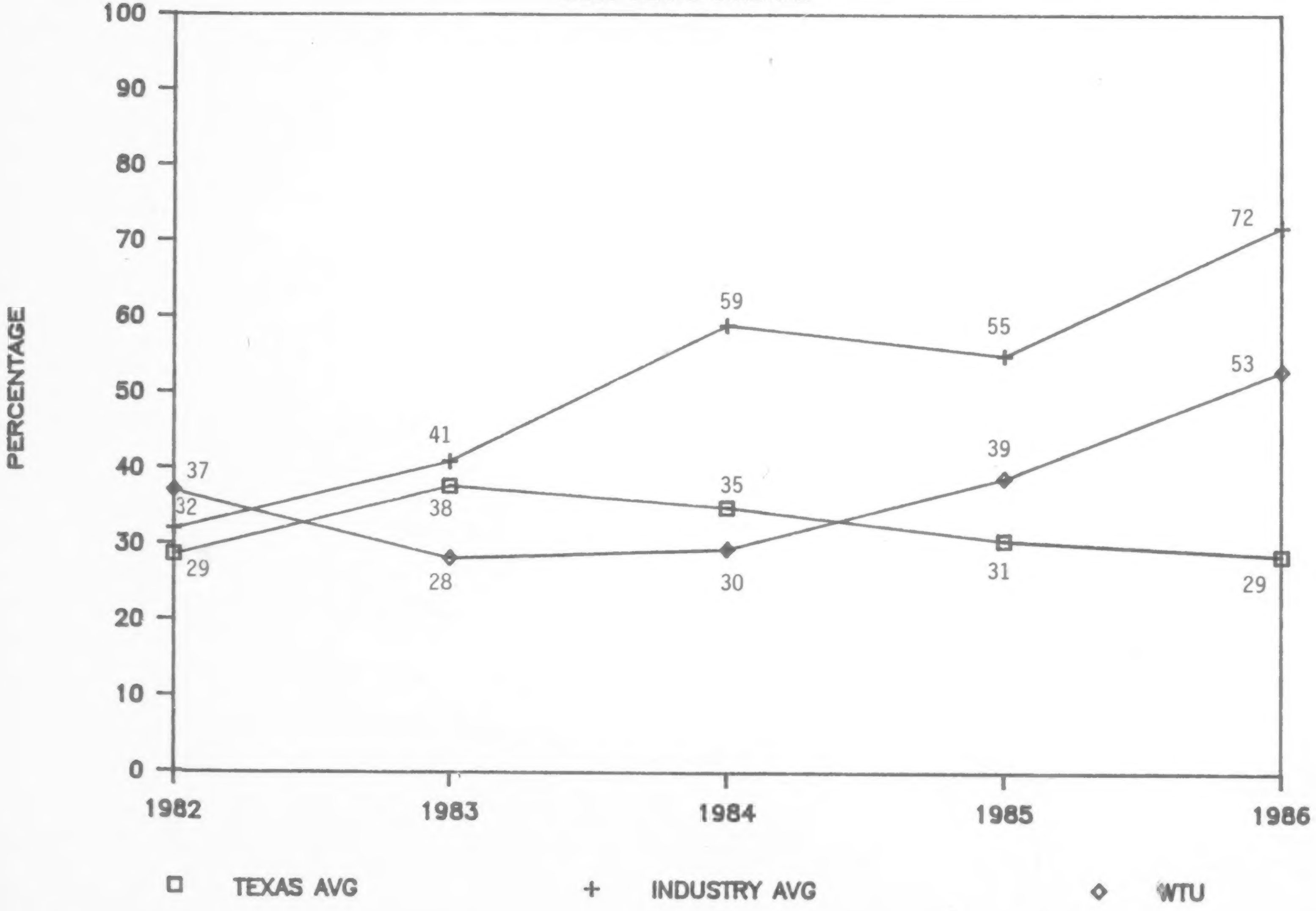
# CASH FLOW COVERAGE OF DIVIDENDS

WEST TEXAS UTILITIES



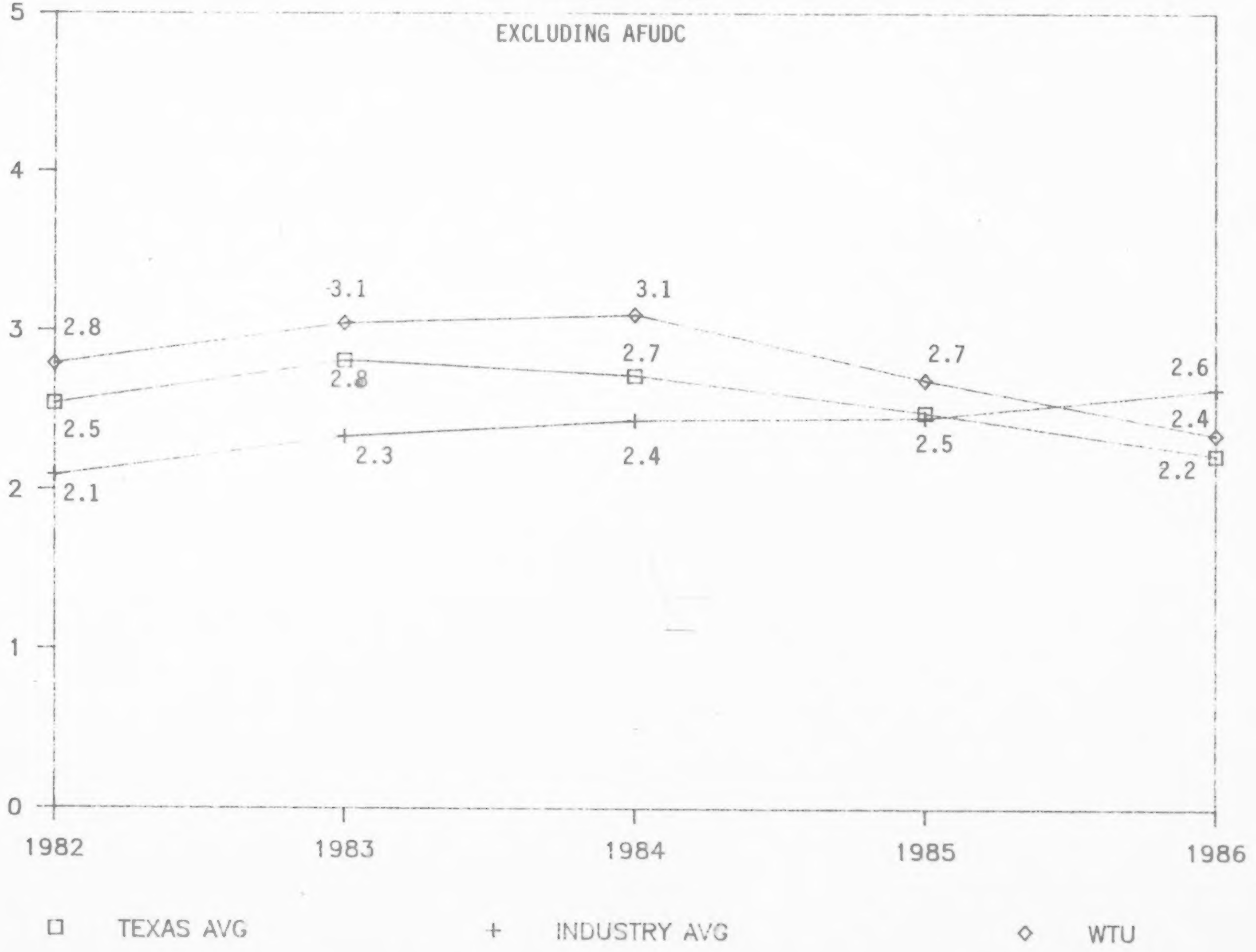
# FUNDS GENERATED INTERNALLY (%)

## WEST TEXAS UTILITIES



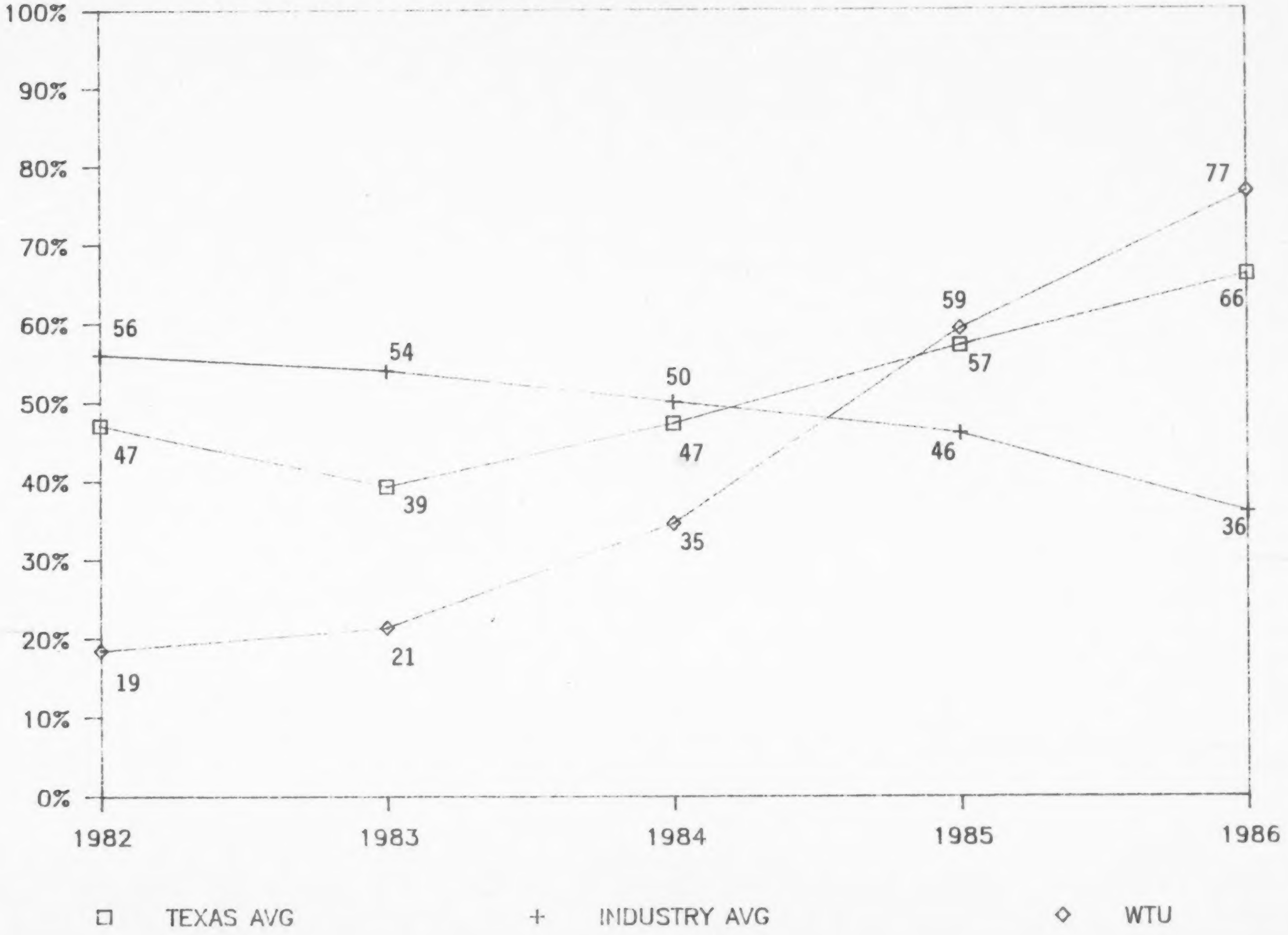
# PRE--TAX INTEREST COVERAGE

WEST TEXAS UTILITIES



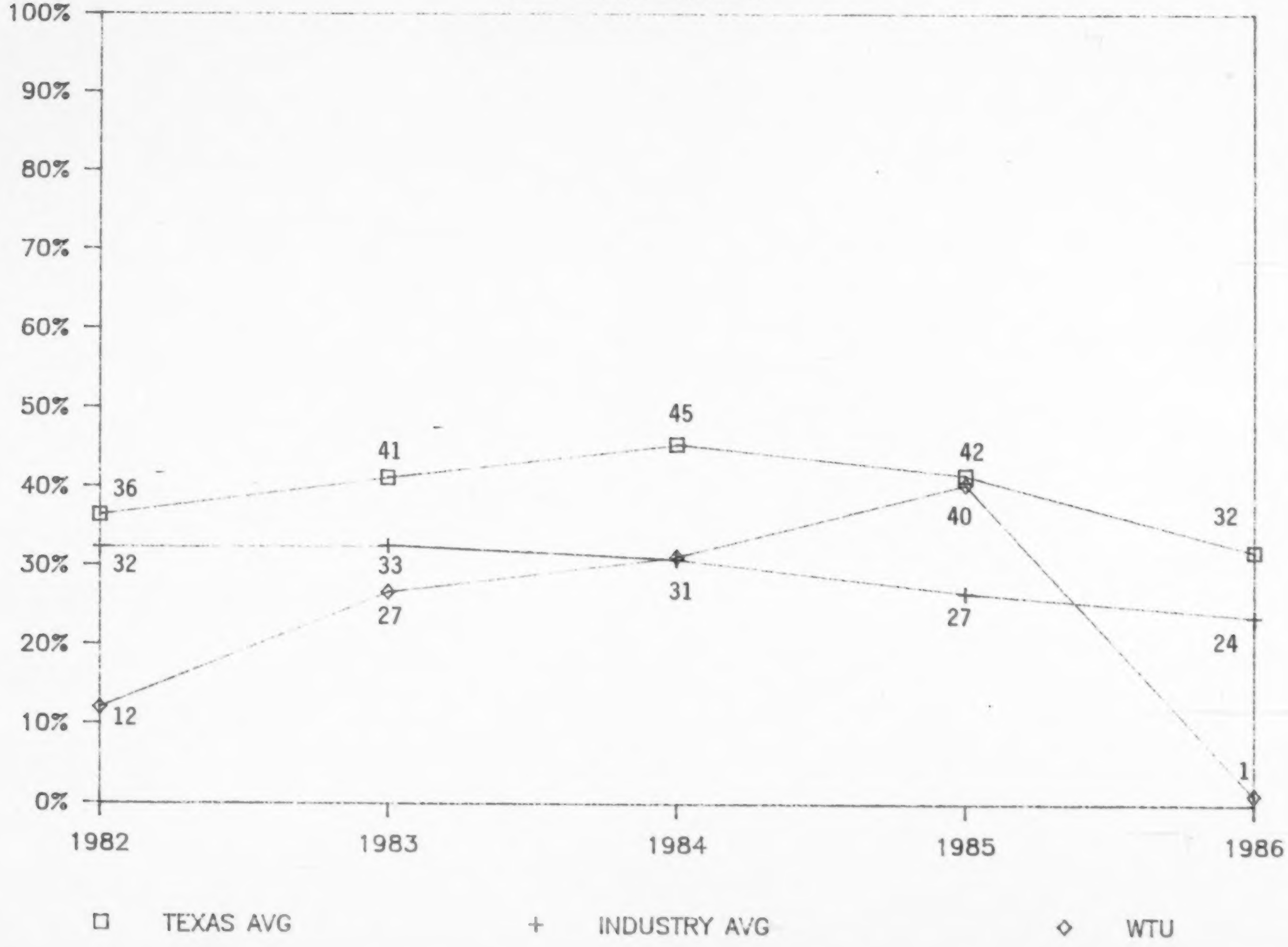
# RATIO OF AFUDC TO INCOME TO COMMON

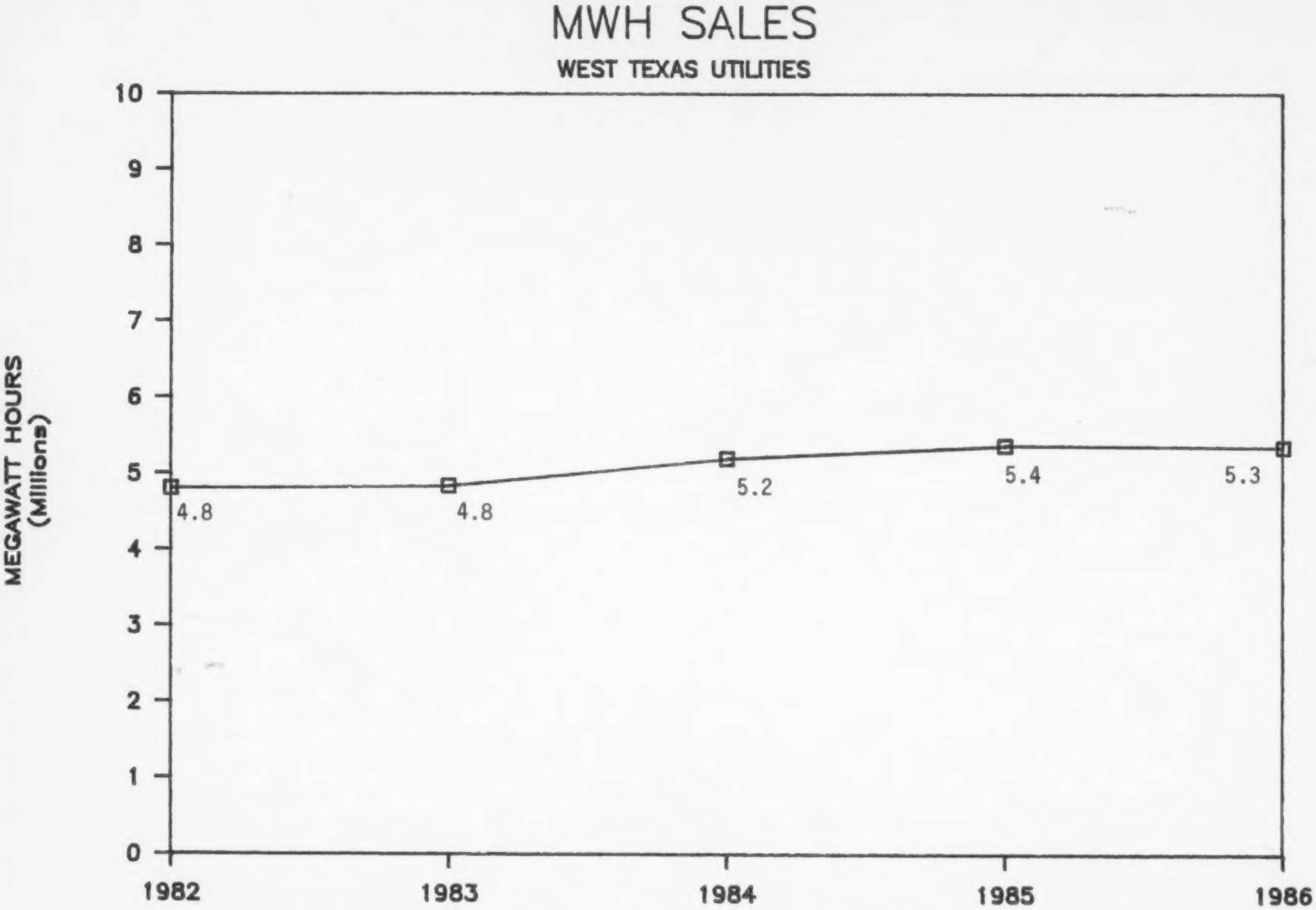
WEST TEXAS UTILITIES



# CWIP AS A % OF NET PLANT

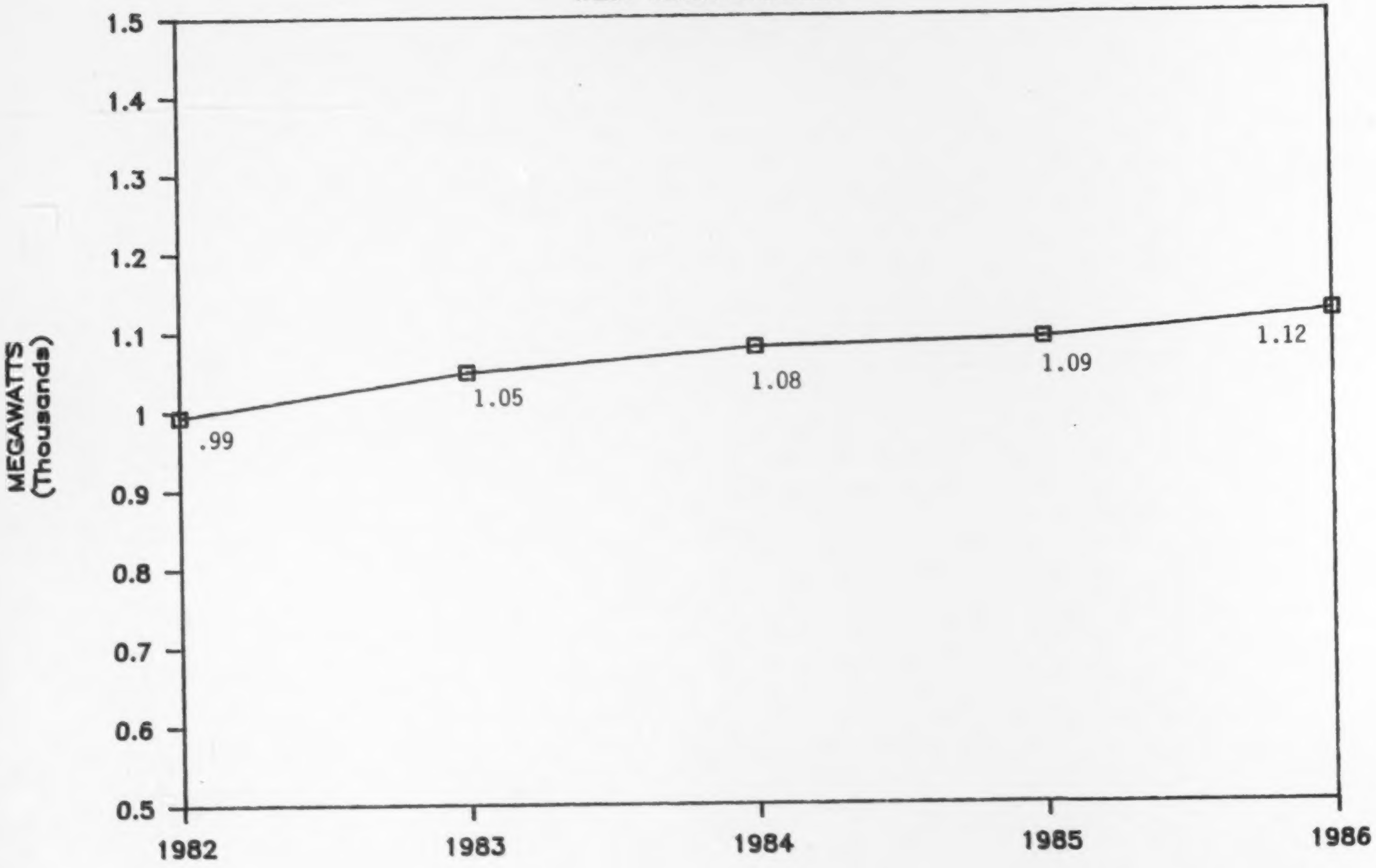
## WEST TEXAS UTILITIES




MWH SALES
WEST TEXAS UTILITIES
MEGAWATT HOURS (Millions)
10
9
8
7
6
5
4
3
2
1
0
1982
1983
1984
1985
1986
4.8
4.8
5.2
5.4
5.3

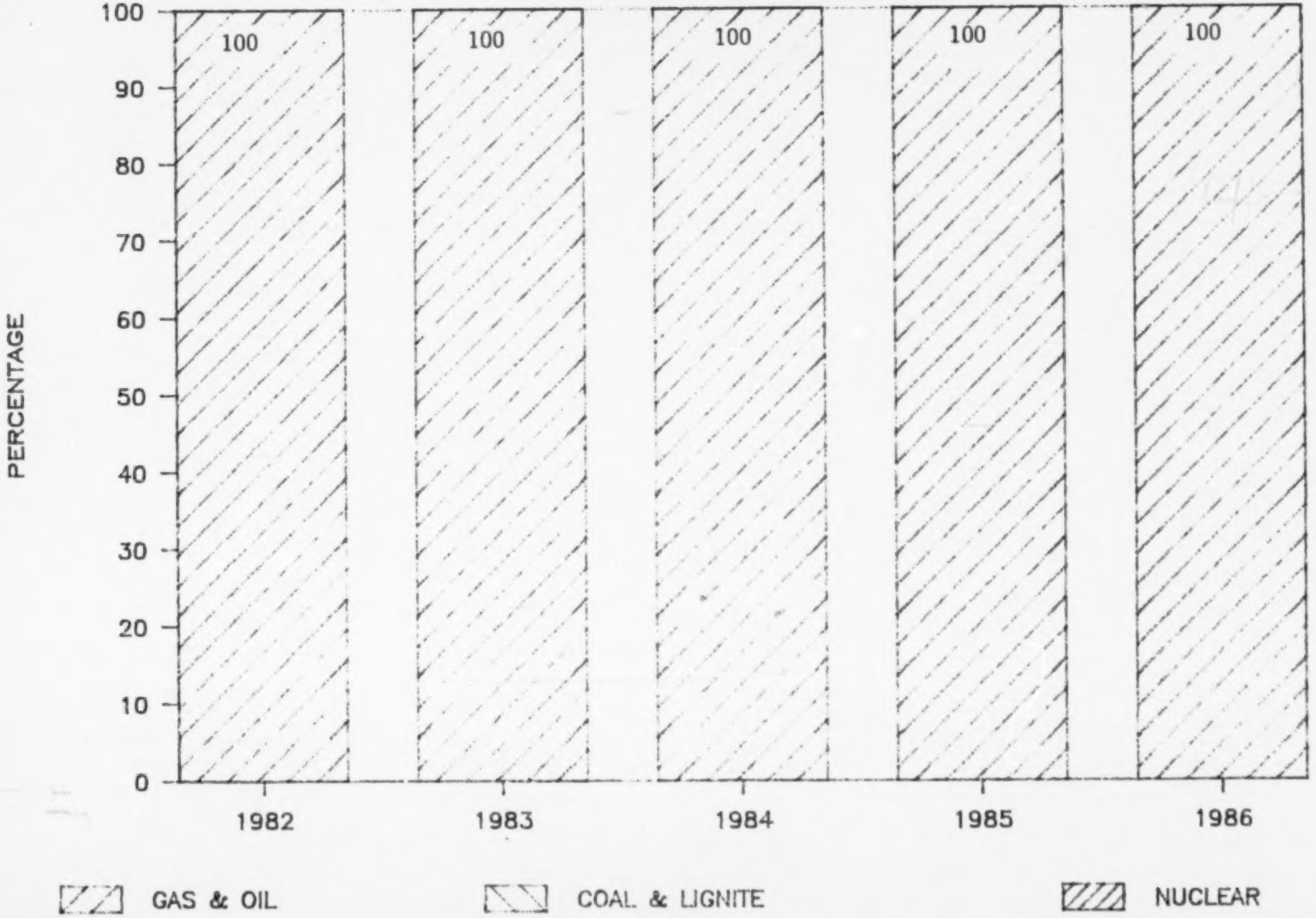
## PEAK DEMAND

WEST TEXAS UTILITIES



# FUEL MIX

## WEST TEXAS UTILITIES



# TEXAS PUC - COMPANY ANALYSIS REPORT
## WEST TEXAS UTILITIES CO (WTU)
## FOR THE FIVE YEARS ENDED 1986

| OPERATING DATA | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 5,348 | 5,372 | 5,197 | 4,837 | 4,803 | -0.4 | 3.4 | 7.4 | 0.7 | 5.4 | 3.3 | 1.6 |
| MW PEAK DEMAND | 1,120 | 1,089 | 1,079 | 1,049 | 994 | 2.8 | 0.9 | 2.9 | 5.5 | 2.1 | 2.8 | 2.7 |
| RESERVE MARGIN | 33.8 | 25.9 | 20.9 | 15.4 | 20.3 | | | | | | | |
| RES CENTS PER KWH | 6.9 | 7.7 | 7.4 | 7.3 | 6.6 | -10.0 | 4.0 | 2.0 | 9.6 | 24.7 | 5.5 | 2.9 |
| RES KWH PER CUST PER MO | 760 | 768 | 777 | 749 | 762 | -1.0 | -1.2 | 3.8 | -1.7 | 6.3 | 1.2 | 0.6 |
| CONSTR EXP(000 $) | 64,878 | 96,281 | 105,446 | 89,590 | 58,363 | -32.6 | -8.7 | 17.7 | 53.5 | 34.9 | 8.4 | 3.6 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | | | | | | | |
| **FINANCIAL DATA** | | | | | | | | | | | | |
| EARNINGS PER SHARE($) | 3.75 | 3.61 | 3.43 | 3.02 | 2.82 | 3.9 | 5.2 | 13.6 | 7.1 | 11.0 | 8.1 | -0.8 |
| DIVIDENDS PER SHARE($) | 2.02 | 2.02 | 1.90 | 1.78 | 1.68 | 0.0 | 6.3 | 6.7 | 6.0 | 6.3 | 5.0 | -0.8 |
| STOCK PRICE($) | 34.25 | 27.50 | 22.75 | 19.50 | 17.63 | 24.5 | 20.9 | 16.7 | 10.6 | 27.0 | 19.8 | 8.8 |
| BOOK VALUE PER SHARE($) | 24.89 | 23.29 | 21.68 | 20.21 | 19.01 | 6.9 | 7.4 | 7.3 | 6.3 | 5.6 | 6.7 | 0.1 |

| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 17.0 | 18.4 | 16.4 | 13.5 | 13.6 | 15.8 | 15.6 |
| AFC TO EARN | 76.7 | 59.3 | 34.6 | 21.4 | 18.5 | 42.1 | 51.4 |
| YIELD | 6.5 | 8.0 | 9.0 | 9.6 | 10.7 | 8.8 | 9.1 |
| PAYOUT RATIO | 53.9 | 56.0 | 55.4 | 58.9 | 59.6 | 56.7 | 61.4 |
| MARKET TO BOOK | 137.6 | 118.1 | 104.9 | 96.5 | 92.7 | 110.0 | 106.4 |
| PE RATIO(X) | 8.2 | 7.0 | 6.2 | 6.1 | 5.6 | 6.6 | 6.8 |
| INTERNAL GEN | 53.1 | 38.9 | 29.5 | 28.2 | 37.1 | 37.4 | 32.1 |
| INT COV INCL AFC(X) | 3.6 | 3.6 | 3.6 | 3.3 | 3.0 | 3.4 | 3.3 |
| INT COV EXCL AFC(X) | 2.4 | 2.7 | 3.1 | 3.1 | 2.8 | 2.8 | 2.6 |
| CASH FLOW COV OF DIV | 3.1 | 3.0 | 3.0 | 3.0 | 3.2 | 3.1 | 2.0 |
| LONG TERM DEBT RATIO | 43.5 | 46.7 | 43.3 | 46.1 | 51.0 | 46.1 | 46.3 |
| COMMON EQUITY RATIO | 45.6 | 46.5 | 48.5 | 44.5 | 46.5 | 46.3 | 44.2 |
| PREFERRED STOCK RATIO | 10.9 | 6.8 | 8.2 | 9.4 | 2.5 | 7.5 | 9.5 |
| EFFECTIVE TAX RATE | 31.9 | 38.0 | 38.9 | 42.2 | 43.1 | 38.8 | 31.8 |
| BOND RATING | Aa2/AA- | Aa2/AA- | Aa2/AA | Aa2/AA | Aa1/AA | | |
| PCT TPUC JURIS SALES | 74.5 | | | | | | |

# TEXAS PUC - COMPANY ANALYSIS REPORT
## WEST TEXAS UTILITIES CO (WTU)
## FOR THE FIVE YEARS ENDED 1986

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| SALES | 273,583 | 317,829 | 312,078 | 290,441 | 264,767 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -13.9 | 1.8 | 7.4 | 9.7 | 32.1 | 6.4 | 4.8 | | | | | | | |
| FUEL & PP | 130,481 | 171,401 | 180,861 | 181,320 | 170,808 | | | 47.7 | 53.9 | 58.0 | 62.4 | 64.5 | 57.3 | 51.2 |
| | -23.9 | -5.2 | -0.3 | 6.2 | 37.3 | 1.0 | 1.5 | | | | | | | |
| O & M | 56,561 | 54,197 | 47,283 | 42,014 | 36,735 | | | 20.7 | 17.1 | 15.2 | 14.5 | 13.9 | 16.2 | 16.1 |
| | 4.4 | 14.6 | 12.5 | 14.4 | 22.1 | 13.5 | 9.7 | | | | | | | |
| DEPR | 16,679 | 15,399 | 13,120 | 12,295 | 11,124 | | | 6.1 | 4.8 | 4.2 | 4.2 | 4.2 | 4.7 | 5.4 |
| | 8.3 | 17.4 | 6.7 | 10.5 | 8.6 | 10.2 | 10.0 | | | | | | | |
| CURR FIT | -5,622 | -2,919 | 3,003 | 2,595 | 2,618 | | | -2.1 | -0.9 | 1.0 | 0.9 | 1.0 | 0.0 | 2.2 |
| DEF TAX | 21,720 | 19,332 | 5,351 | 5,399 | 4,401 | | | 7.9 | 6.1 | 1.7 | 1.9 | 1.7 | 3.9 | 2.8 |
| ITC | 3,277 | 6,670 | 10,484 | 5,989 | 3,881 | | | 1.2 | 2.1 | 3.4 | 2.1 | 1.5 | 2.0 | 1.5 |
| FIT | 19,375 | 23,083 | 18,838 | 13,983 | 10,900 | | | 7.1 | 7.3 | 6.0 | 4.8 | 4.1 | 5.9 | 6.4 |
| | -16.1 | 22.5 | 34.7 | 28.3 | 23.0 | 16.9 | 5.1 | | | | | | | |
| OTH TAX | 13,475 | 13,178 | 12,913 | 10,861 | 10,433 | | | 4.9 | 4.1 | 4.1 | 3.7 | 3.9 | 4.2 | 4.6 |
| | 2.3 | 2.1 | 18.9 | 4.1 | 17.7 | 8.7 | 9.7 | | | | | | | |
| OPER INC | 37,012 | 40,571 | 39,063 | 29,968 | 24,767 | | | 13.5 | 12.8 | 12.5 | 10.3 | 9.4 | 11.7 | 16.1 |
| | -8.8 | 3.9 | 30.3 | 21.0 | 38.6 | 15.7 | 6.3 | | | | | | | |
| AFC | 29,137 | 21,610 | 9,440 | 3,834 | 2,694 | | | 10.7 | 6.8 | 3.0 | 1.3 | 1.0 | 4.6 | 6.4 |
| | 34.8 | 128.9 | 146.2 | 42.3 | 49.7 | 74.5 | 26.7 | | | | | | | |
| OTH INC | 126 | 1,125 | 360 | 213 | 275 | | | 0.0 | 0.4 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| INTEREST | 24,024 | 24,033 | 18,764 | 14,475 | 12,876 | | | 8.8 | 7.6 | 6.0 | 5.0 | 4.9 | 6.4 | 8.9 |
| | 0.0 | 28.1 | 29.6 | 12.4 | 42.1 | 21.5 | 12.6 | | | | | | | |
| NET INCOME | 42,251 | 39,273 | 30,099 | 19,540 | 14,860 | | | 15.4 | 12.4 | 9.6 | 6.7 | 5.6 | 10.0 | 13.7 |
| | 7.6 | 30.5 | 54.0 | 31.5 | 36.3 | 31.1 | 12.1 | | | | | | | |
| PREF DIV | 4,259 | 2,804 | 2,804 | 1,654 | 264 | | | 1.6 | 0.9 | 0.9 | 0.6 | 0.1 | 0.8 | 1.5 |
| | 51.9 | 0.0 | 69.5 | 526.5 | 0.0 | 74.4 | 10.9 | | | | | | | |
| INC TO COM | 37,992 | 36,469 | 27,295 | 17,886 | 14,596 | | | 13.9 | 11.5 | 8.7 | 6.2 | 5.5 | 9.2 | 12.1 |
| | 4.2 | 33.6 | 52.6 | 22.5 | 37.2 | 29.0 | 12.3 | | | | | | | |
| COMMON DIV | 16,110 | 18,827 | 15,700 | 12,428 | 9,665 | | | 5.9 | 5.9 | 5.0 | 4.3 | 3.7 | 5.0 | 7.8 |
| | -14.4 | 19.9 | 26.3 | 28.6 | 16.3 | 14.2 | 13.6 | | | | | | | |
| INC TO RE | 21,882 | 17,642 | 11,595 | 5,458 | 4,931 | | | 8.0 | 5.6 | 3.7 | 1.9 | 1.9 | 4.2 | 4.3 |

TEXAS PUC - COMPANY ANALYSIS REPORT
WEST TEXAS UTILITIES CO (WTU)
FOR THE FIVE YEARS ENDED 1986

## BALANCE SHEET ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR COMP | TEXAS | 1986 | 1985 | 1984 | 1983 | 1982 | 5 YR AVG | TEXAS |
| PLANT | 826,297 | 513,205 | 484,045 | 426,494 | 402,342 | | | 117.9 | 83.1 | 90.4 | 96.1 | 114.2 | 100.4 | 74.5 |
| CWIP & OTH | 7,891 | 233,779 | 148,759 | 103,072 | 36,720 | | | 1.1 | 37.9 | 27.7 | 23.2 | 10.4 | 20.1 | 35.8 |
| TOTAL PLANT | 834,188 | 746,984 | 633,604 | 529,566 | 439,062 | | | 119.1 | 121.0 | 118.1 | 119.4 | 124.6 | 120.4 | 110.3 |
| ACCUM DEPR | 181,873 | 168,980 | 156,099 | 142,986 | 131,870 | | | 26.0 | 27.4 | 29.1 | 32.2 | 37.4 | 30.4 | 19.1 |
| NET PLANT | 652,315 | 578,004 | 477,505 | 386,580 | 307,192 | | | 93.1 | 93.6 | 89.0 | 87.1 | 87.2 | 90.0 | 91.2 |
| | 12.9 | 21.0 | 23.5 | 25.8 | 18.6 | 20.3 | 11.3 | | | | | | | |
| CASH & INV | 1,340 | 4,182 | 1,943 | 13,926 | 2,007 | | | 0.2 | 0.7 | 0.4 | 3.1 | 0.6 | 1.0 | 1.5 |
| ACCTS REC | 11,251 | 7,902 | 25,296 | 28,667 | 26,358 | | | 1.6 | 1.3 | 4.7 | 6.5 | 7.5 | 4.3 | 2.7 |
| INVENTORY | 29,539 | 19,839 | 21,842 | 11,569 | 15,330 | | | 4.2 | 3.2 | 4.1 | 2.6 | 4.4 | 3.7 | 1.8 |
| OTH CURRENT | 3,669 | 3,927 | 7,218 | 969 | 215 | | | 0.5 | 0.6 | 1.3 | 0.2 | 0.1 | 0.6 | 0.4 |
| TOTAL CURR | 45,799 | 35,850 | 56,299 | 55,131 | 43,910 | | | 6.5 | 5.8 | 10.5 | 12.4 | 12.5 | 9.5 | 6.4 |
| | 27.8 | -36.3 | 2.1 | 25.6 | 29.2 | 6.2 | 13.6 | | | | | | | |
| OTH ASSETS | 2,455 | 3,359 | 2,544 | 1,919 | 1,265 | | | 0.4 | 0.5 | 0.5 | 0.4 | 0.4 | 0.4 | 2.4 |
| TOTAL ASSETS | 700,569 | 617,213 | 536,348 | 443,630 | 352,367 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 13.5 | 15.1 | 20.9 | 25.9 | 19.9 | 19.0 | 12.0 | | | | | | | |
| COMMON EQ | 233,798 | 211,916 | 184,274 | 147,679 | 117,221 | | | 33.4 | 34.3 | 34.4 | 33.3 | 33.3 | 33.7 | 34.5 |
| | 10.3 | 15.0 | 24.8 | 26.0 | 20.5 | 19.2 | 12.7 | | | | | | | |
| PREF STOCK | 55,766 | 31,042 | 31,042 | 31,042 | 6,291 | | | 8.0 | 5.0 | 5.8 | 7.0 | 1.8 | 5.5 | 7.4 |
| | 79.6 | 0.0 | 0.0 | 393.4 | 0.0 | 54.7 | 9.8 | | | | | | | |
| LT DEBT | 223,148 | 212,465 | 164,380 | 153,108 | 128,423 | | | 31.9 | 34.4 | 30.6 | 34.5 | 36.4 | 33.6 | 36.1 |
| | 5.0 | 29.3 | 7.4 | 19.2 | 29.9 | 17.7 | 11.7 | | | | | | | |
| TOTAL CAP | 512,712 | 455,423 | 379,696 | 331,829 | 251,935 | | | 73.2 | 73.8 | 70.8 | 74.8 | 71.5 | 72.8 | 78.0 |
| | 12.6 | 19.9 | 14.4 | 31.7 | 24.4 | 20.4 | 11.9 | | | | | | | |
| ST DEBT | 7,037 | 0 | 12,895 | 0 | 7,806 | | | 1.0 | 0.0 | 2.4 | 0.0 | 2.2 | 1.1 | 1.6 |
| OTH CURRENT | 41,148 | 46,502 | 50,609 | 40,696 | 33,566 | | | 5.9 | 7.5 | 9.4 | 9.2 | 9.5 | 8.3 | 6.8 |
| TOTAL CURR | 48,185 | 46,502 | 63,504 | 40,696 | 41,372 | | | 6.9 | 7.5 | 11.8 | 9.2 | 11.7 | 9.4 | 8.4 |
| | 3.6 | -26.8 | 56.0 | -1.6 | 1.6 | 3.4 | 6.3 | | | | | | | |
| ACC DEF TAX | 97,894 | 76,736 | 61,267 | 49,708 | 43,652 | | | 14.0 | 12.4 | 11.4 | 11.2 | 12.4 | 12.3 | 7.7 |
| | 27.6 | 25.2 | 23.3 | 13.9 | 11.5 | 20.1 | 18.6 | | | | | | | |
| ACC ITC | 41,778 | 38,552 | 31,881 | 21,397 | 15,408 | | | 6.0 | 6.2 | 5.9 | 4.8 | 4.4 | 5.5 | 5.4 |
| | 8.4 | 20.9 | 49.0 | 38.9 | 34.8 | 29.6 | 11.3 | | | | | | | |
| OTH LIAB | 0 | 0 | 0 | 0 | 0 | | | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.5 |
| LIAB AND EQ | 700,569 | 617,213 | 536,348 | 443,630 | 352,367 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

# Notes to the Company Profile Reports

1. Information Sources

   A. Industry Averages - Statistics for the following graphs are from Merrill Lynch - Utility Industry - A Statistical Review - May 1986 and May 1987.

      Sales Growth
      Earned Per Share Growth
      Cash Flow Coverage of Common Dividends
      Percentage of Funds Internally Generated
      Pre-tax Interest Coverage Ratio
      Ratio of AFUDC to Income to Common
      CWIP as a Percentage of Net Plant
      Allowed Returns on Equity
      Earned Returns on Equity

   B. Individual Company Data were taken from the individual company 1985 annual reports, 10K reports, or from direct requests to the companies.

2. Total Texas Industry Averages include:

   Central Power and Light Company
   El Paso Electric Company
   Gulf States Utilities
   Houston Lighting and Power Company
   Southwestern Electric Power Company
   Southwestern Public Service Company
   Texas-New Mexico Power Company*
   TU Electric
   West Texas Utilities Company

   * TNP was excluded from the Total Texas data for Peak Demand and MWH sales.

3. El Paso Electric Company - The high return on equity relative to the industry is indicative of the Company's high ratio of AFUDC to earnings.

4. Houston Lighting and Power Company - HL&P's 1982 financial ratios were adversely affected by the $168 million after-tax write-off of the cancelled Allen's Creek Nuclear Project.

5. Texas-New Mexico Power Company - Purchases virtually 100 percent of its electric requirements. For this reason, the graph illustrating peak demand in megawatts was eliminated for TNP. Also, in 1984 TNP split its common stock 2 for 1, for this reason per share data as illustrated on the "operating data" schedule have been adjusted for the period 1982-1983.

6. TU Electric - Prior to 1983, DP&L, TP&L, and TESCO were reported separately. The statistics shown for TU for 1982 represent a simple average of the three subsidiary company statistics.

7. Ratio Calculations - The financial ratios reported in the Company Profiles may vary slightly from those ratios reported by the individual companies due to differences in calculation methodologies. The ratios reported for each company in the operating data section were calculated as explained below:

   A. ROE = income available to common divided by the average of the year-end common equity for the current and previous year.

   B. AFC to Earn = total AFC divided by earnings to common. For GSU, deferred River Bend expenses are included with AFC.

   C. Yield = dividends per share divided by the average stock price for the current and previous year.

   D. Payout Ratio = DPS/EPS.

   E. Market to Book = Stock Price/Book Value per Share.

   F. PE Ratio = average stock price for the current and previous year divided by the current year's earnings.

   G. Internal Generation = (New Income + Depreciation + Deferred Taxes + ITCs - AFC - Preferred Dividends - Common Dividends) divided by Construction Expenditures.

   H. Interest Coverage Including AFC = (Net Income + Interest + FIT) divided by Interest.

   I. Interest Coverage Excluding AFC = (Net Income + Interest + FIT -AFC) divided by Interest.

   J. Long-Term Debt Ratio = LT Debt/Total Capital.

   K. Common Equity Ratio = Common Equity/Total Capital.

   L. Preferred Stock Ratio = Preferred Stock/Total Capital.

   M. Effective Tax Rate = FIT/(Net Income + FIT).

   N. Cash Flow Coverage of Dividends = (Income Available to Common + Depreciation + Deferred Taxes + ITC - AFC)/Common Stock Dividends.

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# 1987 TEXAS ELECTRIC UTILITY COMPANY PROFILES

SEPTEMBER 1988

PUBLIC UTILITY COMMISSION OF TEXAS

OPERATIONS REVIEW DIVISION

# 1987 TEXAS ELECTRIC UTILITY COMPANY PROFILES

SEPTEMBER 1988

PUBLIC UTILITY COMMISSION OF TEXAS

OPERATIONS REVIEW DIVISION

# FOREWARD

This report is a summary of important electric utility financial and operating characteristics on a statewide total basis and on an individual basis for each of the nine largest investor-owned Texas electric utilities. The details illustrated are for both the year ending 1987 and for the period 1982-1987.

Financial and other data is taken from Commission records and financial publications as noted.

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| II | Central Power and Light Company |
| III | El Paso Electric Company |
| IV | Gulf States Utilities |
| V | Houston Lighting and Power Company |
| VI | Southwestern Electric Power Company |
| VII | Southwestern Public Service Company |
| VIII | Texas-New Mexico Power Company |
| IX | TU Electric |
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|  | Notes to the Company Profiles |

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1. Allowed Return on Equity - Texas vs. National Average 1983-1987
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3. Sales Growth - Texas vs. National Average 1982-1987
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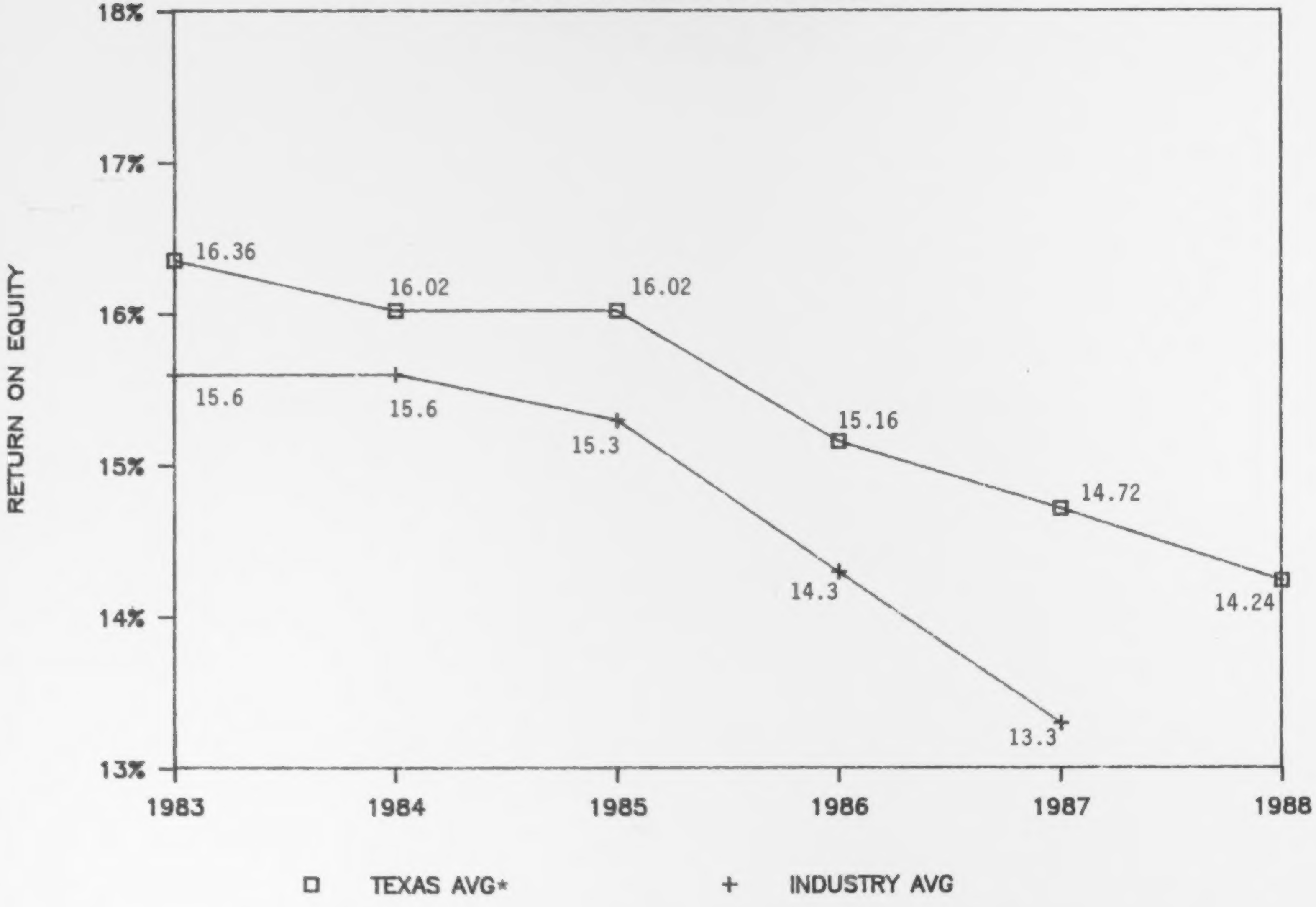
# ALLOWED RETURN ON EQUITY

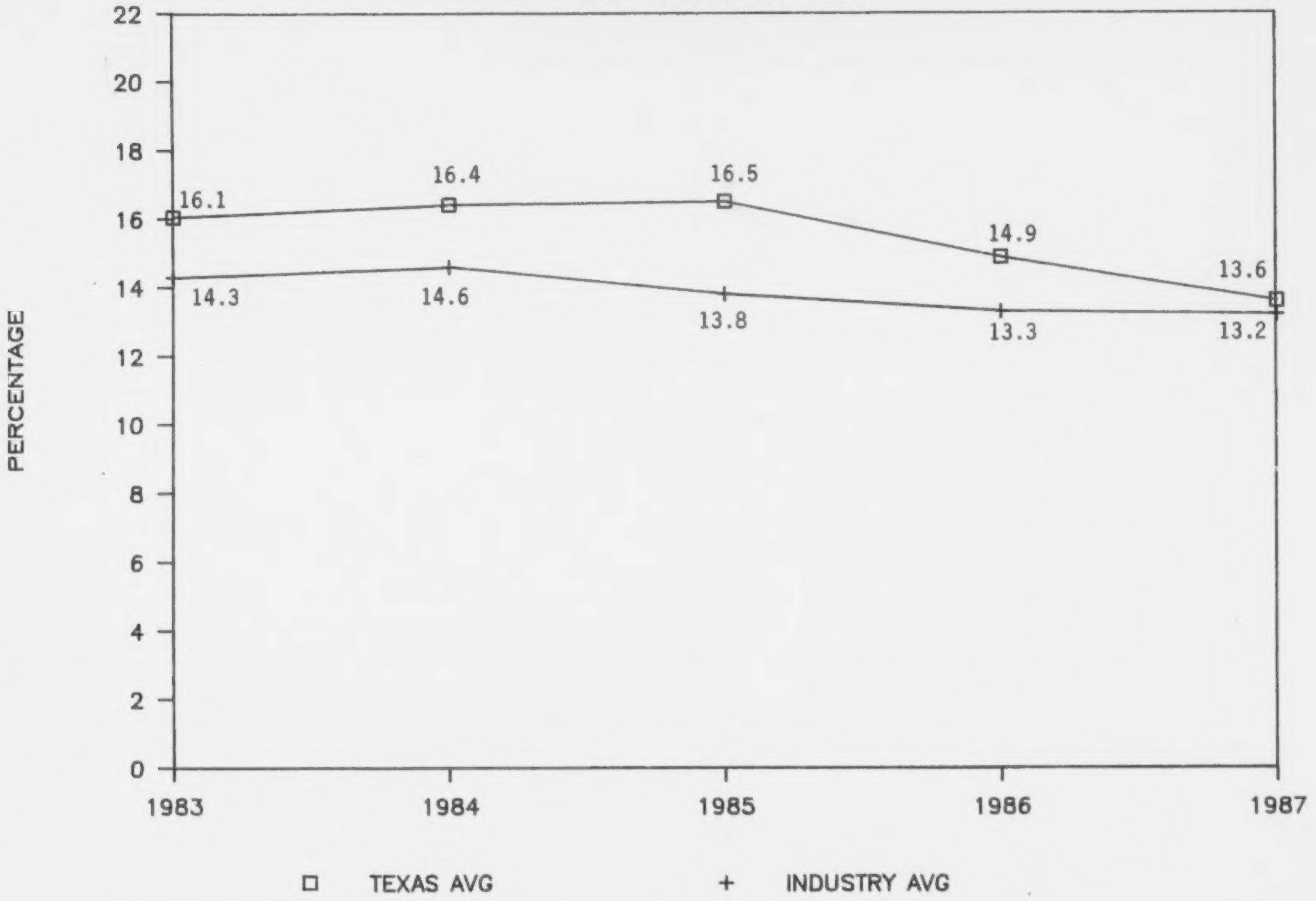
## TEXAS AND INDUSTRY AVERAGES



*Includes updates through August 1988.

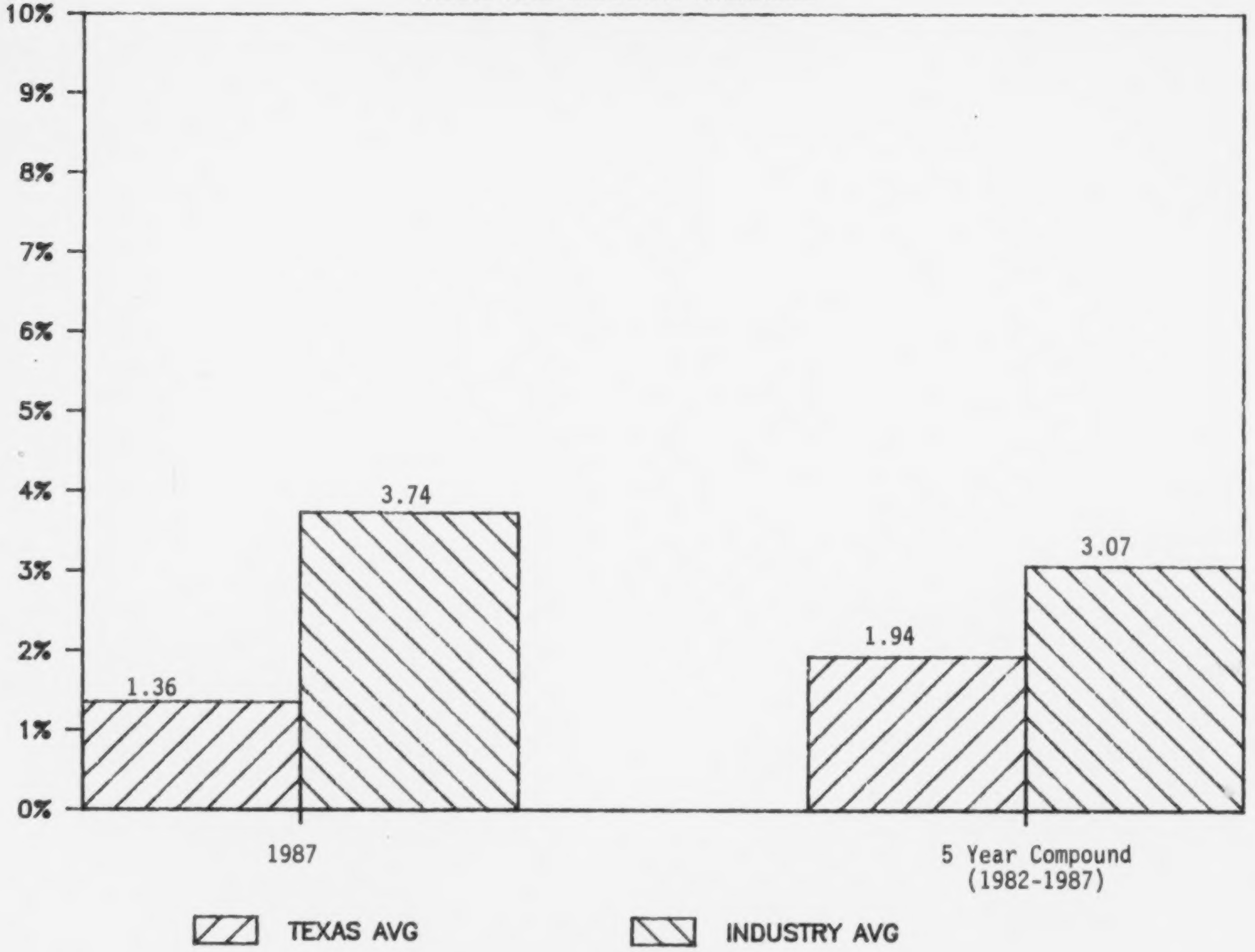
# EARNED RETURN ON EQUITY

## TEXAS AND INDUSTRY AVERAGES



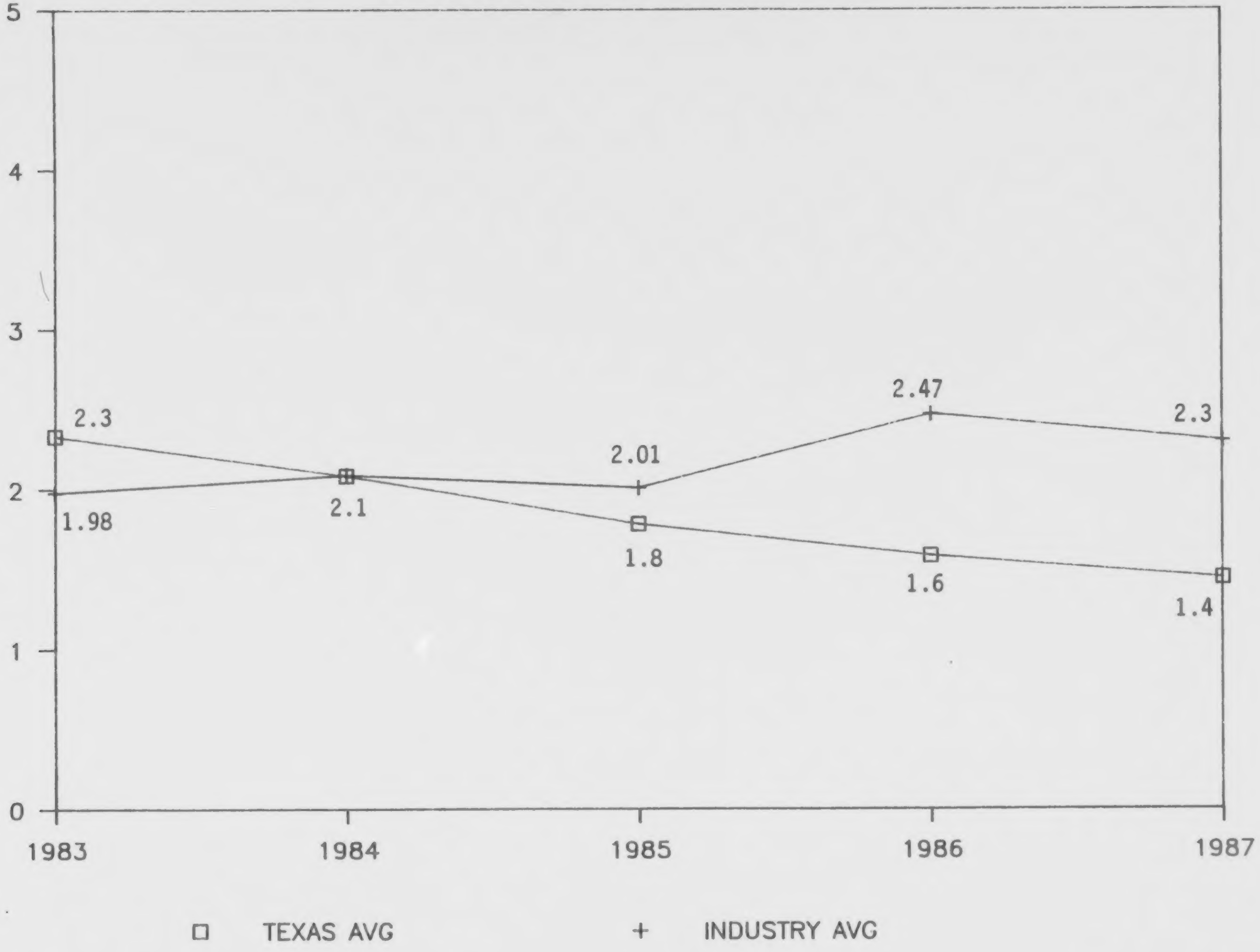
# MWH SALES GROWTH

## TEXAS AND INDUSTRY AVERAGES



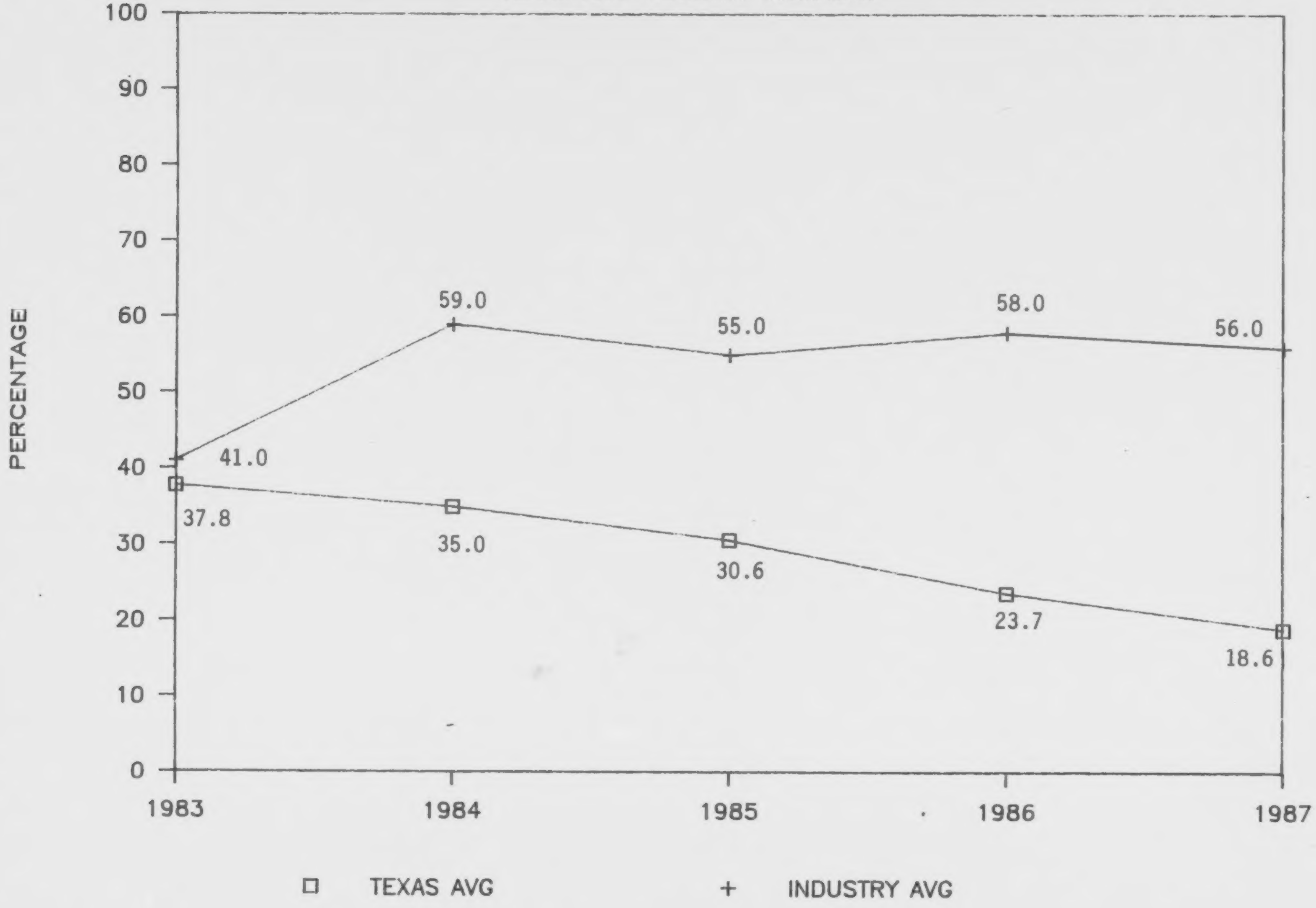
# CASH FLOW COVERAGE OF DIVIDENDS

## TEXAS AND INDUSTRY AVERAGES



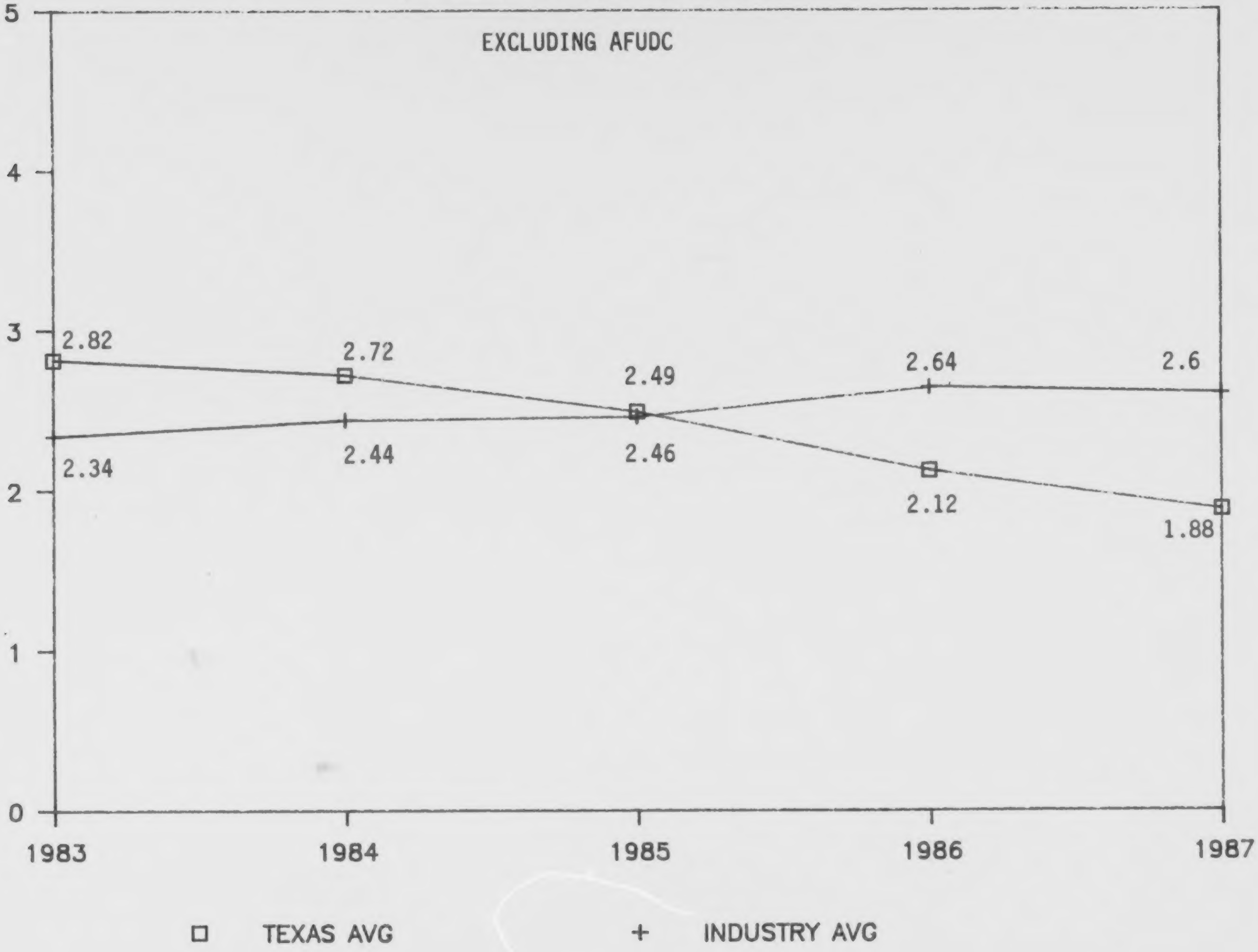
# FUNDS GENERATED INTERNALLY (%)

## TEXAS AND INDUSTRY AVERAGES



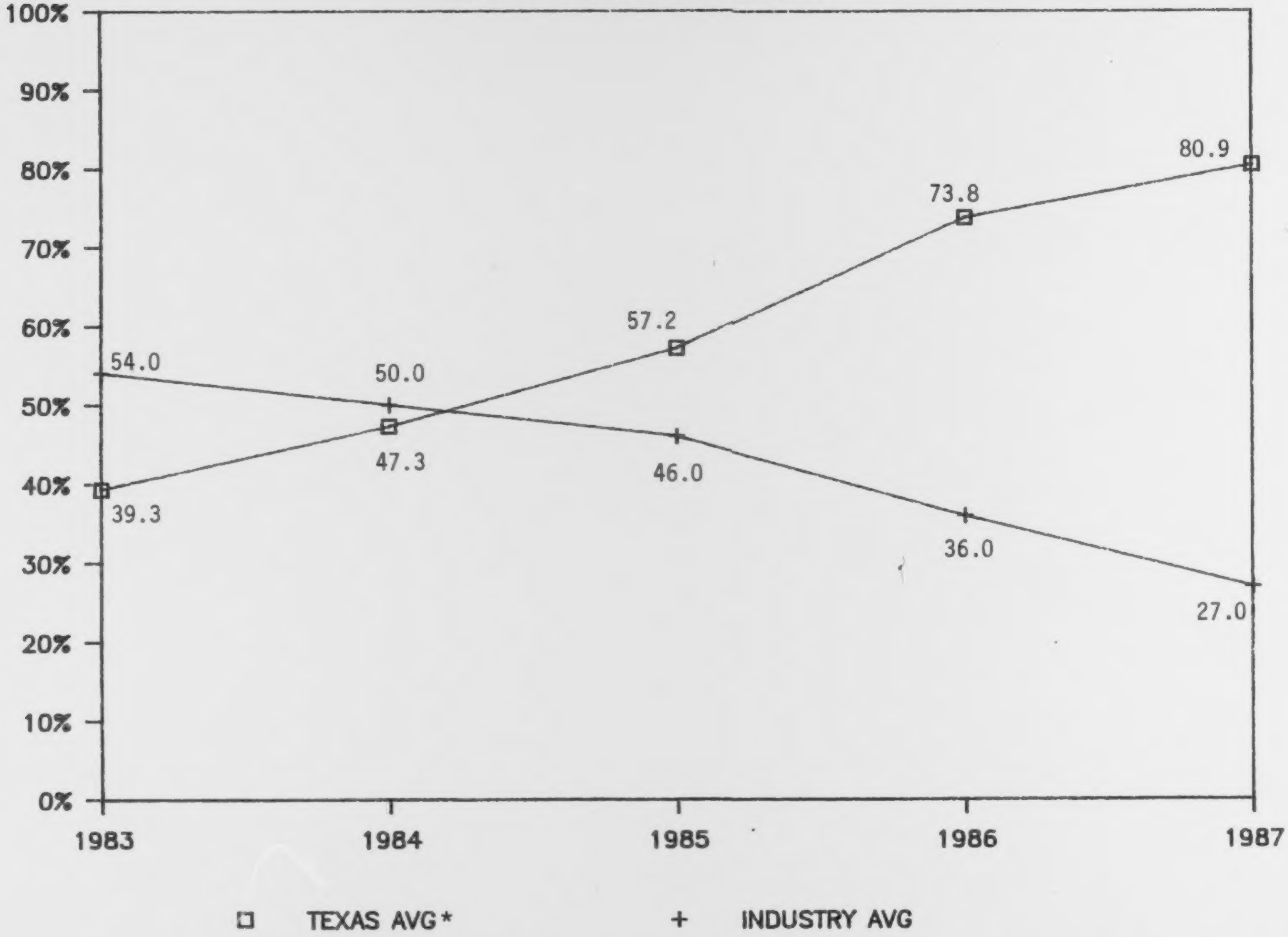
# PRE–TAX INTEREST COVERAGE

## TEXAS AND INDUSTRY AVERAGES



# RATIO OF AFUDC TO INCOME TO COMMON

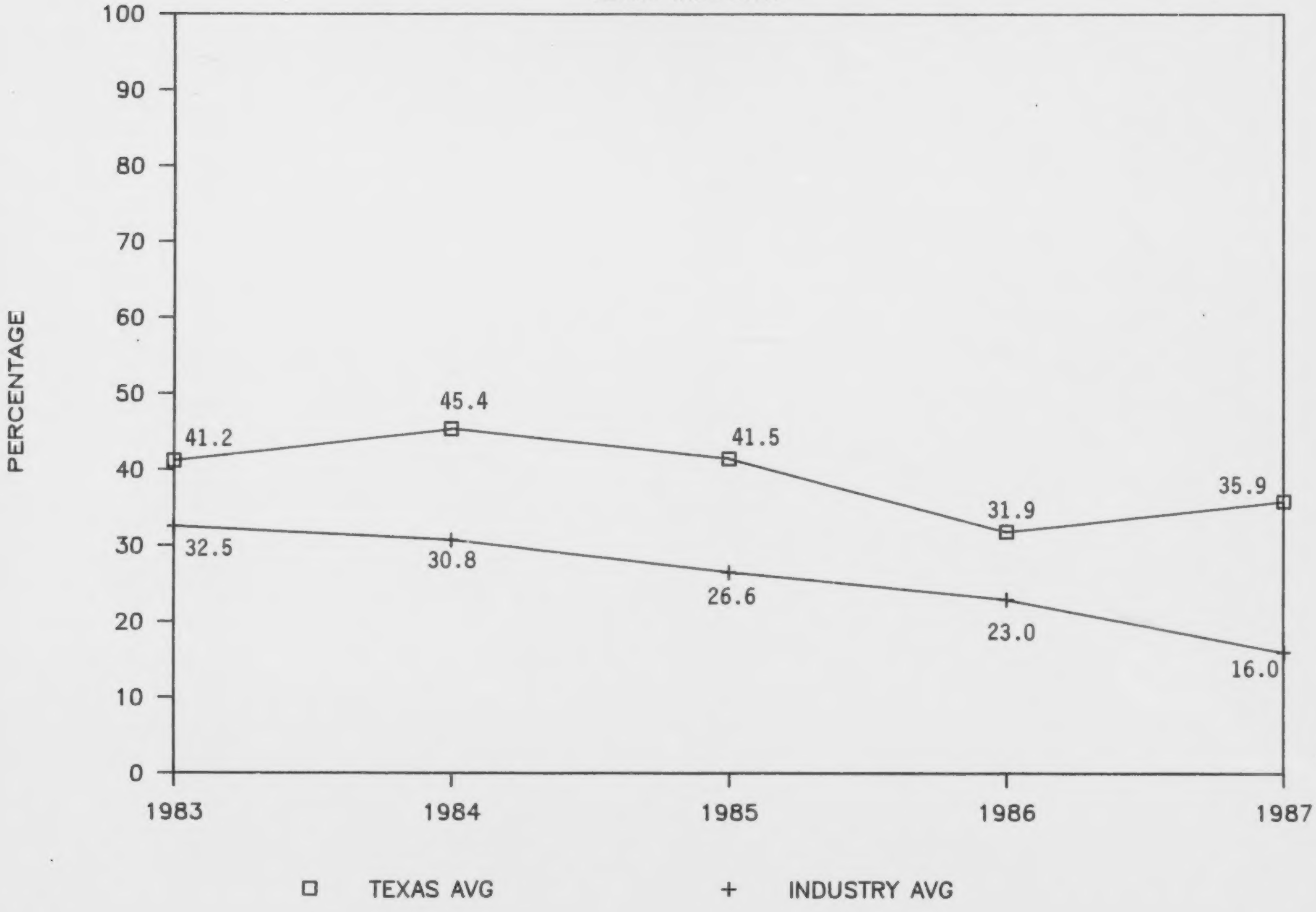
## TEXAS AND INDUSTRY AVERAGES



* Includes Deferrals

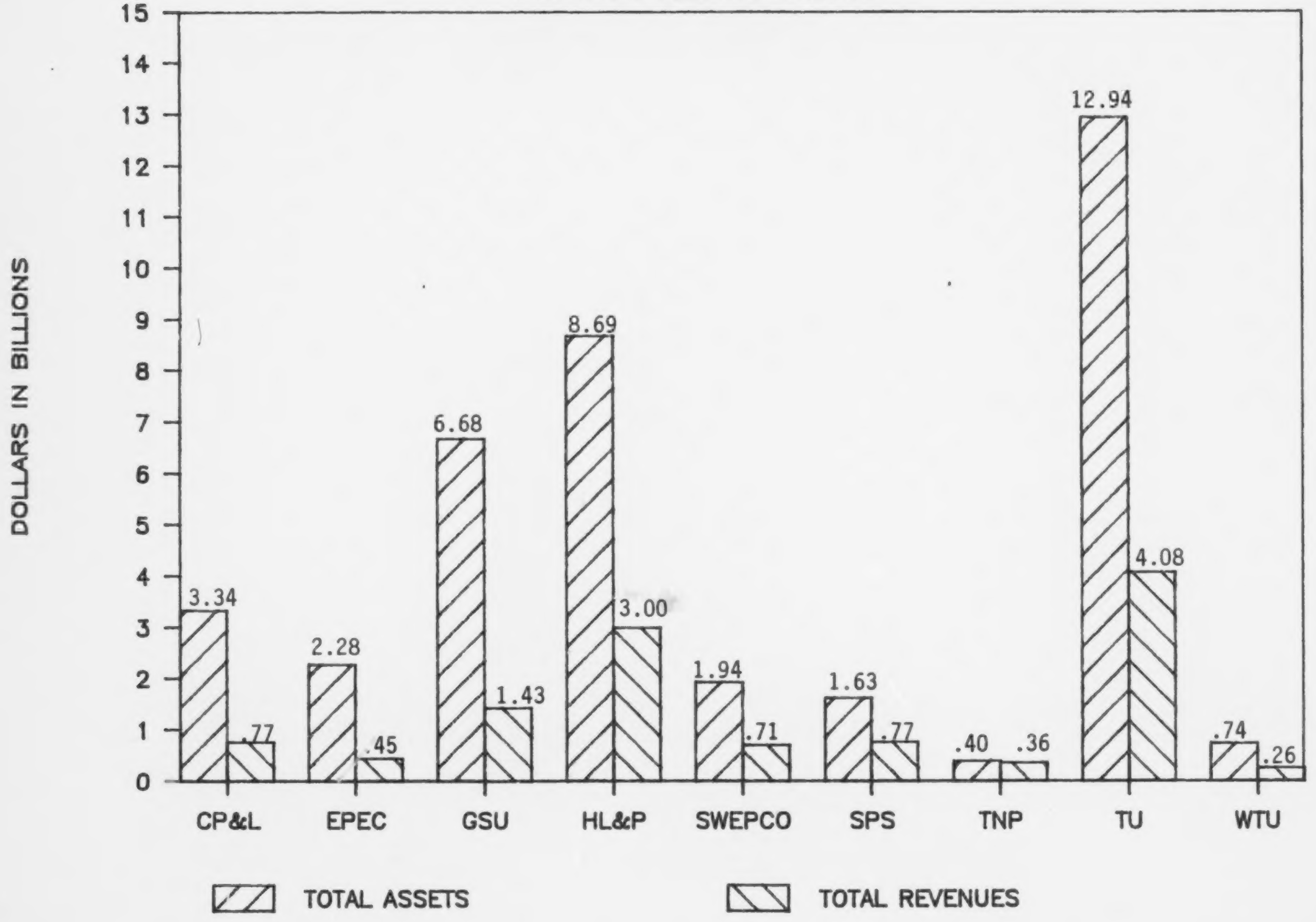
# CWIP AS A % OF NET PLANT

TEXAS INDUSTRY



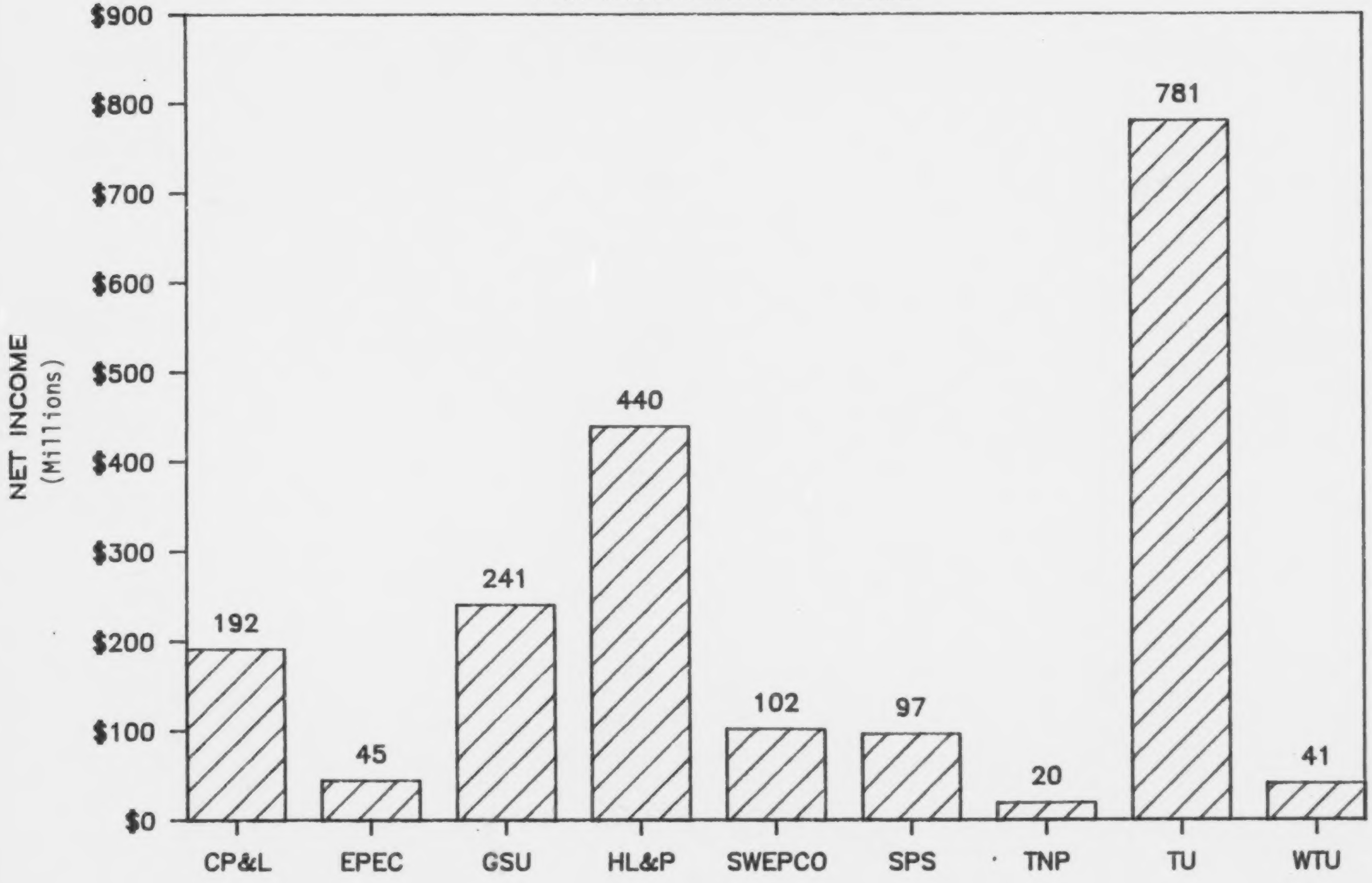
# 1987 ASSETS AND REVENUES

FOR TEXAS ELECTRIC UTILITIES



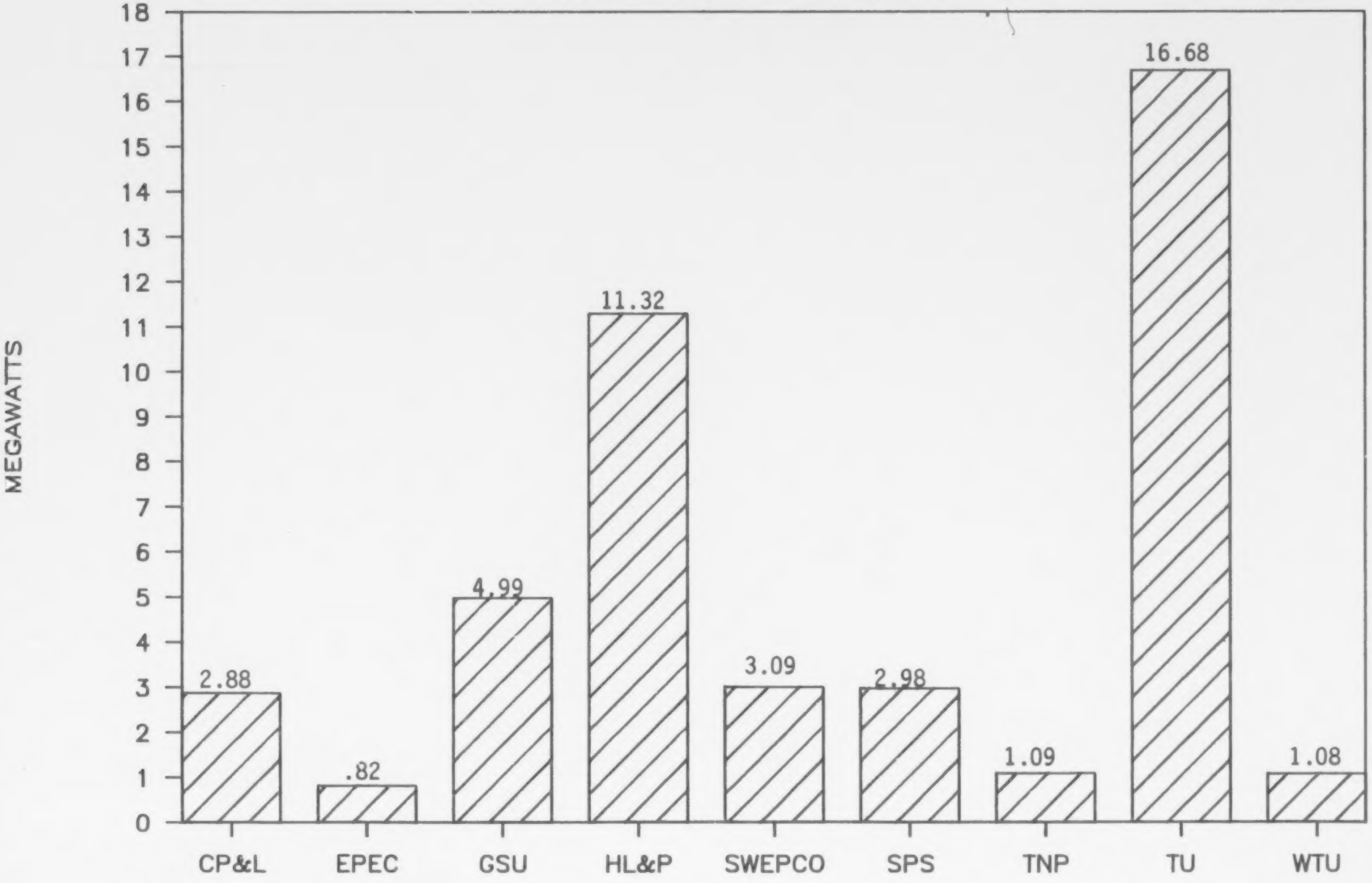
# 1987 NET INCOME

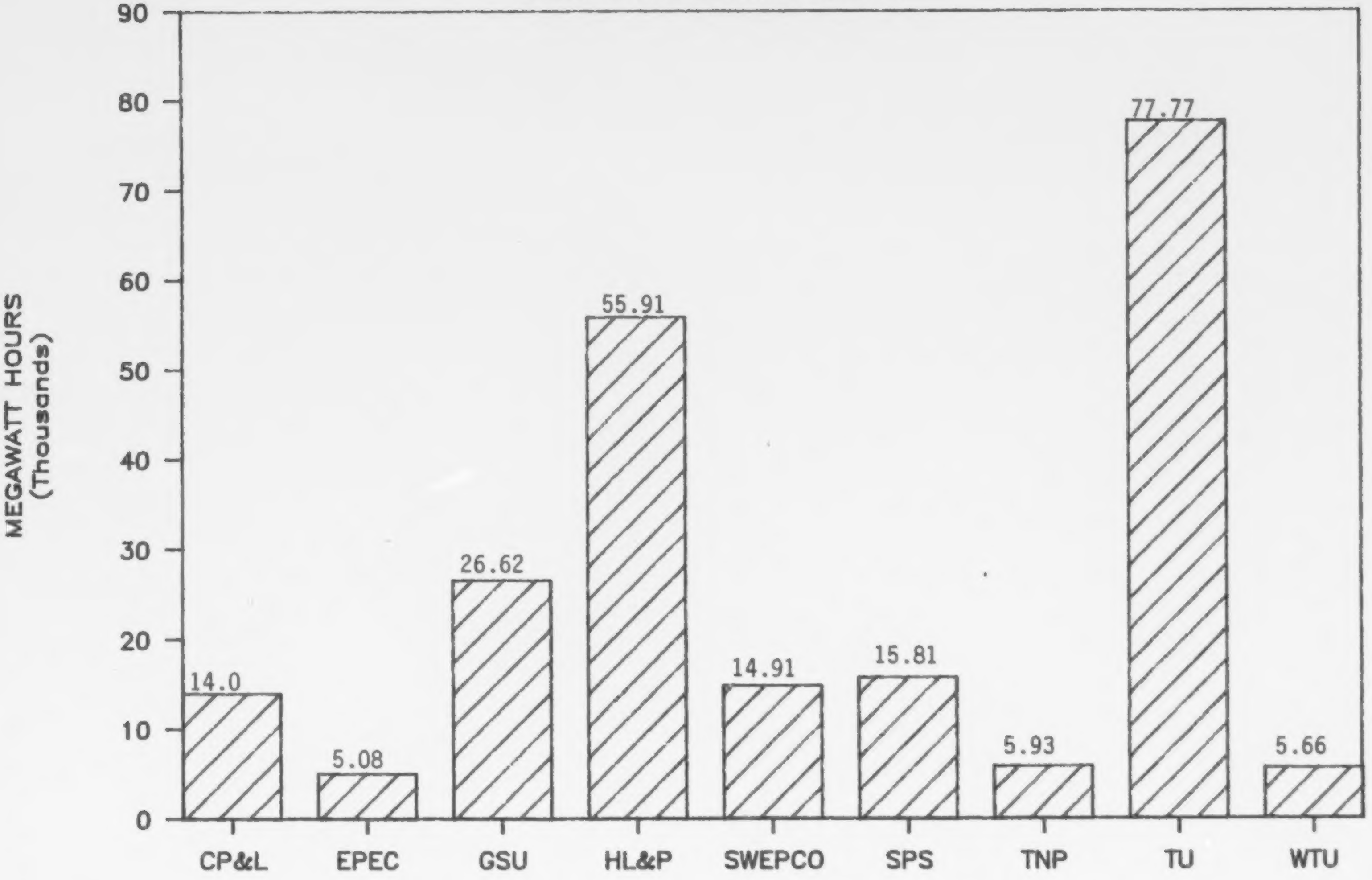
FOR TEXAS ELECTRIC UTILITIES



# 1987 PEAK DEMAND

## FOR TEXAS ELECTRIC UTILITIES





1987 MWH SALES

FOR TEXAS ELECTRIC UTILITIES

### TEXAS PUC - COMPANY ANALYSIS REPORT
### TOTAL TEXAS INDUSTRY (TXI)
### FOR THE FIVE YEARS ENDED 1987

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 215,794 | 212,901 | 216,424 | 214,639 | 197,934 | 1.4 | -1.6 | 0.8 | 8.4 | 1.0 | 1.9 | 1.9 |
| RES CENTS PER KWH | 6.7 | 6.7 | 7.5 | 7.3 | 7.2 | -0.5 | -10.6 | 2.7 | 1.5 | 7.2 | -0.1 | -0.1 |
| RES KWH PER CUST PER MO | 1,018 | 1,002 | 1,019 | 1,006 | 948 | 1.6 | -1.7 | 1.3 | 6.1 | -4.4 | 0.5 | 0.5 |
| CONSTR EXP(000 $) | 2,556,210 | 2,729,656 | 2,842,897 | 2,983,667 | 2,971,528 | -6.4 | -4.0 | -4.7 | 0.4 | 6.5 | -1.7 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 53.0 | 52.2 | 58.2 | 62.3 | 61.8 | | | | | | | |
| COAL/LIGNITE | 44.1 | 45.8 | 41.8 | 37.7 | 38.2 | | | | | | | |
| NUCLEAR | 3.0 | 2.0 | 0.0 | 0.0 | 0.0 | | | | | | | |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 13.6 | 14.9 | 16.5 | 16.4 | 16.1 | 15.5 | 15.5 |
| AFC TO EARN | 80.9 | 73.8 | 57.2 | 47.3 | 39.3 | 59.7 | 59.7 |
| YIELD | 7.7 | 7.3 | 9.0 | 9.9 | 10.1 | 8.8 | 8.8 |
| PAYOUT RATIO | 63.8 | 59.6 | 59.2 | 59.1 | 60.9 | 60.5 | 60.5 |
| MARKET TO BOOK | 99.4 | 125.8 | 114.0 | 100.6 | 95.6 | 107.1 | 107.1 |
| PE RATIO(X) | 8.3 | 8.1 | 6.6 | 6.0 | 6.0 | 7.0 | 7.0 |
| INTERNAL GEN | 18.6 | 23.7 | 30.6 | 35.0 | 37.8 | 29.1 | 29.1 |
| INT COV INCL AFC(X) | 2.9 | 3.1 | 3.3 | 3.4 | 3.4 | 3.2 | 3.2 |
| INT COV EXCL AFC(X) | 1.9 | 2.1 | 2.5 | 2.7 | 2.8 | 2.4 | 2.4 |
| CASH FLOW COV OF DIV | ✓ 1.4 | 1.6 | 1.8 | 2.1 | 2.3 | 1.8 | 1.8 |
| LONG TERM DEBT RATIO | 46.2 | 46.5 | 46.3 | 46.1 | 45.5 | 46.1 | 46.1 |
| COMMON EQUITY RATIO | 44.4 | 44.2 | 44.5 | 44.2 | 44.8 | 44.4 | 44.4 |
| PREFERRED STOCK RATIO | 9.3 | 9.3 | 9.2 | 9.7 | 9.8 | 9.5 | 9.5 |
| EFFECTIVE TAX RATE | 24.7 | 28.8 | 31.0 | 33.2 | 33.4 | 30.2 | 30.2 |
| BOND RATING | N/A | N/A | N/A | N/A | N/A | | |
| PCT TPUC JURIS SALES | 85.0 | | | | | | |

# TEXAS PUC - COMPANY ANALYSIS REPORT
## TOTAL TEXAS INDUSTRY (TXI)
## FOR THE FIVE YEARS ENDED 1987

### INCOME STATEMENT ANALYSIS

|  | LEVEL(000 $) & GROWTH |  |  |  |  |  |  | PERCENT OF SALES |  |  |  |  |  |  |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
|  | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 11,834,958 | 11,705,036 | 13,179,724 | 12,719,577 | 11,787,780 |  |  | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
|  | 1.1 | -11.2 | 3.6 | 7.9 | 7.1 | 1.5 | 1.5 |  |  |  |  |  |  |  |
| FUEL & PP | 5,216,025 | 5,328,036 | 6,712,604 | 6,606,789 | 6,261,433 |  |  | 44.1 | 45.5 | 50.9 | 51.9 | 53.1 | 49.1 | 49.1 |
|  | -2.1 | -20.6 | 1.6 | 5.5 | 4.0 | -2.8 | -2.8 |  |  |  |  |  |  |  |
| O & M | 2,508,249 | 2,225,674 | 2,123,942 | 1,953,323 | 1,772,045 |  |  | 21.2 | 19.0 | 16.1 | 15.4 | 15.0 | 17.3 | 17.3 |
|  | 12.7 | 4.8 | 8.7 | 10.2 | 7.2 | 8.7 | 8.7 |  |  |  |  |  |  |  |
| DEPR | 864,699 | 798,246 | 683,971 | 643,851 | 612,752 |  |  | 7.3 | 6.8 | 5.2 | 5.1 | 5.2 | 5.9 | 5.9 |
|  | 8.3 | 16.7 | 6.2 | 5.1 | 13.9 | 10.0 | 10.0 |  |  |  |  |  |  |  |
| CURR FIT | 271,061 | 269,571 | 311,040 | 309,118 | 212,230 |  |  | 2.3 | 2.3 | 2.4 | 2.4 | 1.8 | 2.2 | 2.2 |
| DEF TAX | 296,723 | 317,829 | 475,770 | 335,693 | 288,476 |  |  | 2.5 | 2.7 | 3.6 | 2.6 | 2.4 | 2.8 | 2.8 |
| ITC | 68,246 | 182,814 | 73,867 | 209,848 | 256,515 |  |  | 0.6 | 1.6 | 0.6 | 1.6 | 2.2 | 1.3 | 1.3 |
| FIT | 636,030 | 770,214 | 860,677 | 854,659 | 757,221 |  |  | 5.4 | 6.6 | 6.5 | 6.7 | 6.4 | 6.3 | 6.3 |
|  | -17.4 | -10.5 | 0.7 | 12.9 | 15.3 | -0.6 | -0.6 |  |  |  |  |  |  |  |
| OTH TAX | 686,064 | 646,168 | 621,743 | 571,644 | 498,085 |  |  | 5.8 | 5.5 | 4.7 | 4.5 | 4.2 | 5.0 | 5.0 |
|  | 6.2 | 3.9 | 8.8 | 14.8 | 7.1 | 8.1 | 8.1 |  |  |  |  |  |  |  |
| OPER INC | 1,923,891 | 1,936,698 | 2,176,787 | 2,089,311 | 1,886,244 |  |  | 16.3 | 16.5 | 16.5 | 16.4 | 16.0 | 16.3 | 16.3 |
|  | -0.7 | -11.0 | 4.2 | 10.8 | 13.0 | 2.9 | 2.9 |  |  |  |  |  |  |  |
| AFC | 1,396,684 | 1,284,512 | 1,000,980 | 732,591 | 523,385 |  |  | 11.8 | 11.0 | 7.6 | 5.8 | 4.4 | 8.1 | 8.1 |
|  | 8.7 | 28.3 | 36.6 | 40.0 | 11.5 | 24.4 | 24.4 |  |  |  |  |  |  |  |
| OTH INC | 7,764 | 34,189 | 547 | 9,971 | 33,729 |  |  | 0.1 | 0.3 | 0.0 | 0.1 | 0.3 | 0.1 | 0.1 |
| INTEREST | 1,369,660 | 1,292,660 | 1,220,214 | 1,086,548 | 950,939 |  |  | 11.6 | 11.0 | 9.3 | 8.5 | 8.1 | 9.7 | 9.7 |
|  | 6.0 | 5.9 | 12.3 | 14.3 | 10.6 | 9.8 | 9.8 |  |  |  |  |  |  |  |
| NET INCOME | 1,958,679 | 1,962,739 | 1,958,100 | 1,745,325 | 1,492,419 |  |  | 16.5 | 16.8 | 14.9 | 13.7 | 12.7 | 14.9 | 14.9 |
|  | -0.2 | 0.2 | 12.2 | 16.9 | 31.0 | 11.4 | 11.4 |  |  |  |  |  |  |  |
| PREF DIV | 232,976 | 222,055 | 209,264 | 196,142 | 161,740 |  |  | 2.0 | 1.9 | 1.6 | 1.5 | 1.4 | 1.7 | 1.7 |
|  | 4.9 | 6.1 | 6.7 | 21.3 | 13.7 | 10.4 | 10.4 |  |  |  |  |  |  |  |
| INC TO COM | 1,725,703 | 1,740,684 | 1,748,836 | 1,549,183 | 1,330,679 |  |  | 14.6 | 14.9 | 13.3 | 12.2 | 11.3 | 13.2 | 13.2 |
|  | -0.9 | -0.5 | 12.9 | 16.4 | 33.5 | 11.6 | 11.6 |  |  |  |  |  |  |  |
| COMMON DIV | 1,082,562 | 1,108,760 | 1,110,633 | 963,053 | 842,807 |  |  | 9.1 | 9.5 | 8.4 | 7.6 | 7.1 | 8.4 | 8.4 |
|  | -2.4 | -0.2 | 15.3 | 14.3 | 19.6 | 9.0 | 9.0 |  |  |  |  |  |  |  |
| INC TO RE | 643,141 | 631,924 | 638,203 | 586,130 | 487,872 |  |  | 5.4 | 5.4 | 4.8 | 4.6 | 4.1 | 4.9 | 4.9 |

## TEXAS PUC - COMPANY ANALYSIS REPORT
## TOTAL TEXAS INDUSTRY (TXI)
## FOR THE FIVE YEARS ENDED 1987

### BALANCE SHEET ANALYSIS

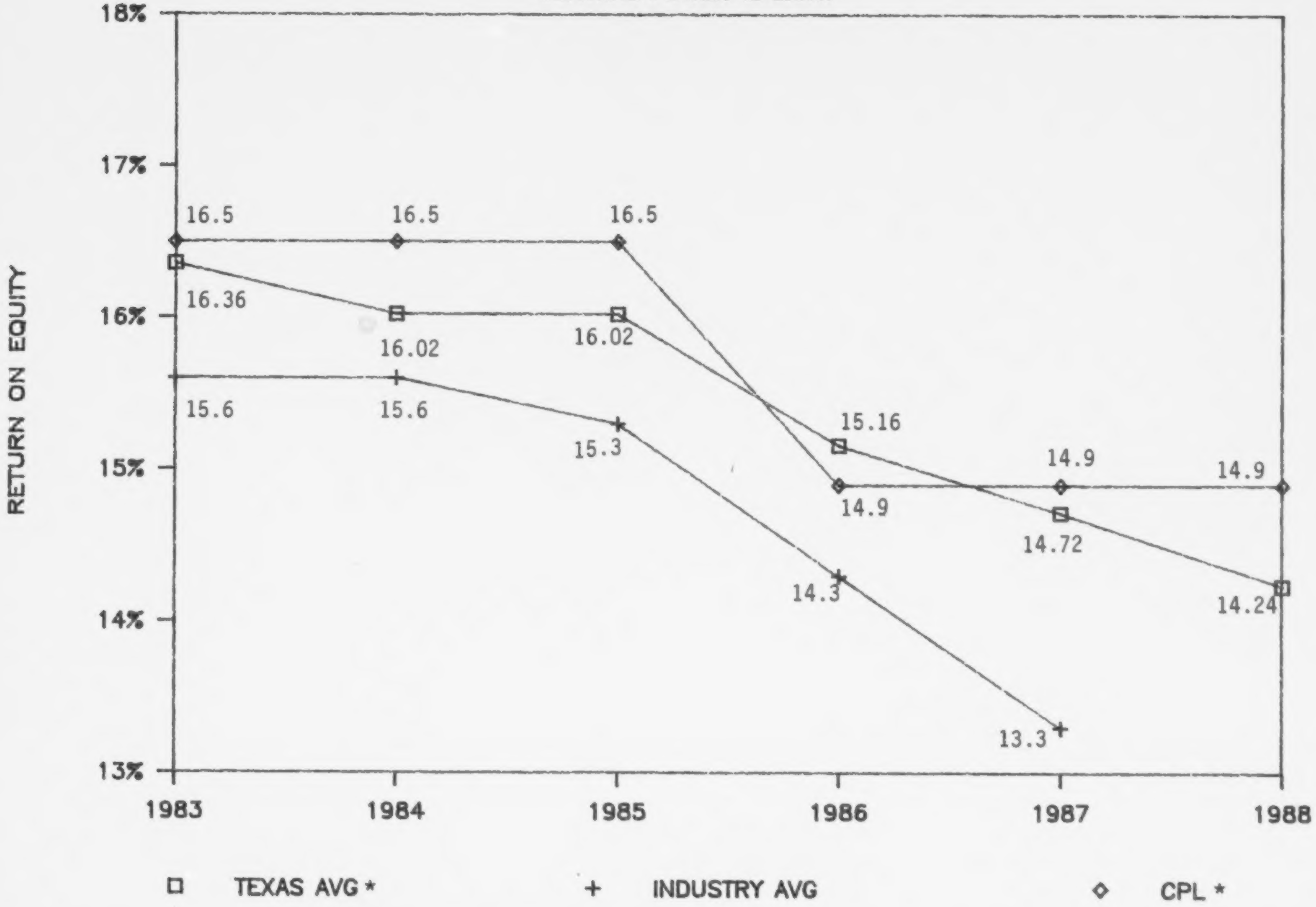
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 29,104,785 | 28,139,521 | 23,172,869 | 20,023,256 | 18,845,737 | | | 75.3 | 79.8 | 71.9 | 69.0 | 73.6 | 73.9 | 73.9 |
| CWIP & OTH | 12,162,449 | 10,072,050 | 12,198,409 | 12,077,337 | 9,698,672 | | | 31.5 | 28.6 | 37.8 | 41.6 | 37.9 | 35.5 | 35.5 |
| TOTAL PLANT | 41,267,234 | 38,211,571 | 35,371,278 | 32,100,593 | 28,544,409 | | | 106.8 | 108.3 | 109.7 | 110.7 | 111.4 | 109.4 | 109.4 |
| ACCUM DEPR | 7,361,036 | 6,608,895 | 5,983,946 | 5,508,830 | 4,988,499 | | | 19.1 | 18.7 | 18.6 | 19.0 | 19.5 | 19.0 | 19.0 |
| NET PLANT | 33,906,198 | 31,602,676 | 29,387,332 | 26,591,763 | 23,555,910 | | | 87.8 | 89.6 | 91.1 | 91.7 | 92.0 | 90.4 | 90.4 |
| | 7.3 | 7.5 | 10.5 | 12.9 | 14.0 | 10.4 | 10.4 | | | | | | | |
| CASH & INV | 887,128 | 979,948 | 601,242 | 307,810 | 233,463 | | | 2.3 | 2.8 | 1.9 | 1.1 | 0.9 | 1.8 | 1.8 |
| ACCTS REC | 746,369 | 739,418 | 779,272 | 836,891 | 800,338 | | | 1.9 | 2.1 | 2.4 | 2.9 | 3.1 | 2.5 | 2.5 |
| INVENTORY | 589,660 | 523,546 | 515,278 | 537,049 | 441,045 | | | 1.5 | 1.5 | 1.6 | 1.9 | 1.7 | 1.6 | 1.6 |
| OTH CURRENT | 176,395 | 201,458 | 214,024 | 104,742 | 72,736 | | | 0.5 | 0.6 | 0.7 | 0.4 | 0.3 | 0.5 | 0.5 |
| TOTAL CURR | 2,399,552 | 2,444,370 | 2,109,816 | 1,786,492 | 1,547,582 | | | 6.2 | 6.9 | 6.5 | 6.2 | 6.0 | 6.4 | 6.4 |
| | -1.8 | 15.9 | 18.1 | 15.4 | 4.7 | 10.2 | 10.2 | | | | | | | |
| OTH ASSETS | 2,325,658 | 1,221,936 | 745,183 | 621,471 | 508,662 | | | 6.0 | 3.5 | 2.3 | 2.1 | 2.0 | 3.2 | 3.2 |
| TOTAL ASSETS | 38,631,408 | 35,268,982 | 32,242,331 | 28,999,726 | 25,612,154 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 9.5 | 9.4 | 11.2 | 13.2 | 13.4 | 11.3 | 11.3 | | | | | | | |
| COMMON EQ | 13,178,424 | 12,176,197 | 11,219,543 | 9,961,992 | 8,917,776 | | | 34.1 | 34.5 | 34.8 | 34.4 | 34.8 | 34.5 | 34.5 |
| | 8.2 | 8.5 | 12.6 | 11.7 | 16.5 | 11.5 | 11.5 | | | | | | | |
| PREF STOCK | 2,764,743 | 2,570,135 | 2,315,065 | 2,181,706 | 1,946,849 | | | 7.2 | 7.3 | 7.2 | 7.5 | 7.6 | 7.3 | 7.3 |
| | 7.6 | 11.0 | 6.1 | 12.1 | 14.0 | 10.1 | 10.1 | | | | | | | |
| LT DEBT | 13,711,168 | 12,805,718 | 11,685,311 | 10,397,676 | 9,058,273 | | | 35.5 | 36.3 | 36.2 | 35.9 | 35.4 | 35.9 | 35.9 |
| | 7.1 | 9.6 | 12.4 | 14.8 | 8.8 | 10.5 | 10.5 | | | | | | | |
| TOTAL CAP | 29,654,335 | 27,552,050 | 25,219,919 | 22,541,374 | 19,922,898 | | | 76.8 | 78.1 | 78.2 | 77.7 | 77.8 | 77.7 | 77.7 |
| | 7.6 | 9.2 | 11.9 | 13.1 | 12.6 | 10.9 | 10.9 | | | | | | | |
| ST DEBT | 1,052,218 | 385,821 | 308,081 | 512,644 | 557,212 | | | 2.7 | 1.1 | 1.0 | 1.8 | 2.2 | 1.7 | 1.7 |
| OTH CURRENT | 2,197,220 | 2,208,952 | 2,206,548 | 1,978,115 | 1,807,778 | | | 5.7 | 6.3 | 6.8 | 6.8 | 7.1 | 6.5 | 6.5 |
| TOTAL CURR | 3,249,438 | 2,594,773 | 2,514,629 | 2,490,759 | 2,364,990 | | | 8.4 | 7.4 | 7.8 | 8.6 | 9.2 | 8.3 | 8.3 |
| | 25.2 | 3.2 | 1.0 | 5.3 | 14.1 | 9.4 | 9.4 | | | | | | | |
| ACC DEF TAX | 3,214,241 | 2,968,310 | 2,693,731 | 2,217,746 | 1,838,997 | | | 8.3 | 8.4 | 8.4 | 7.6 | 7.2 | 8.0 | 8.0 |
| | 8.3 | 10.2 | 21.5 | 20.6 | 18.2 | 15.6 | 15.6 | | | | | | | |
| ACC ITC | 1,914,164 | 1,837,428 | 1,676,324 | 1,608,744 | 1,412,571 | | | 5.0 | 5.2 | 5.2 | 5.5 | 5.5 | 5.3 | 5.3 |
| | 4.2 | 9.6 | 4.2 | 13.9 | 18.5 | 9.9 | 9.9 | | | | | | | |
| OTH LIAB | 599,230 | 316,421 | 137,730 | 141,103 | 72,698 | | | 1.6 | 0.9 | 0.4 | 0.5 | 0.3 | 0.7 | 0.7 |
| LIAB AND EQ | 38,631,408 | 35,268,982 | 32,242,333 | 28,999,726 | 25,612,154 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section II - Central Power and Light Company

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
7. Ratio of AFUDC to Income to Common 1983-1987
8. CWIP as a Percentage of Net Plant 1983-1987
9. Total Megawatt Hour Sales 1983-1987
10. Megawatt Peak Demand 1983-1987
11. Fuel Mix 1983-1987
12. Operating Data 1983-1987
13. Income Statement Analysis 1983-1987
14. Balance Sheet Analysis 1983-1987

# ALLOWED RETURN ON EQUITY

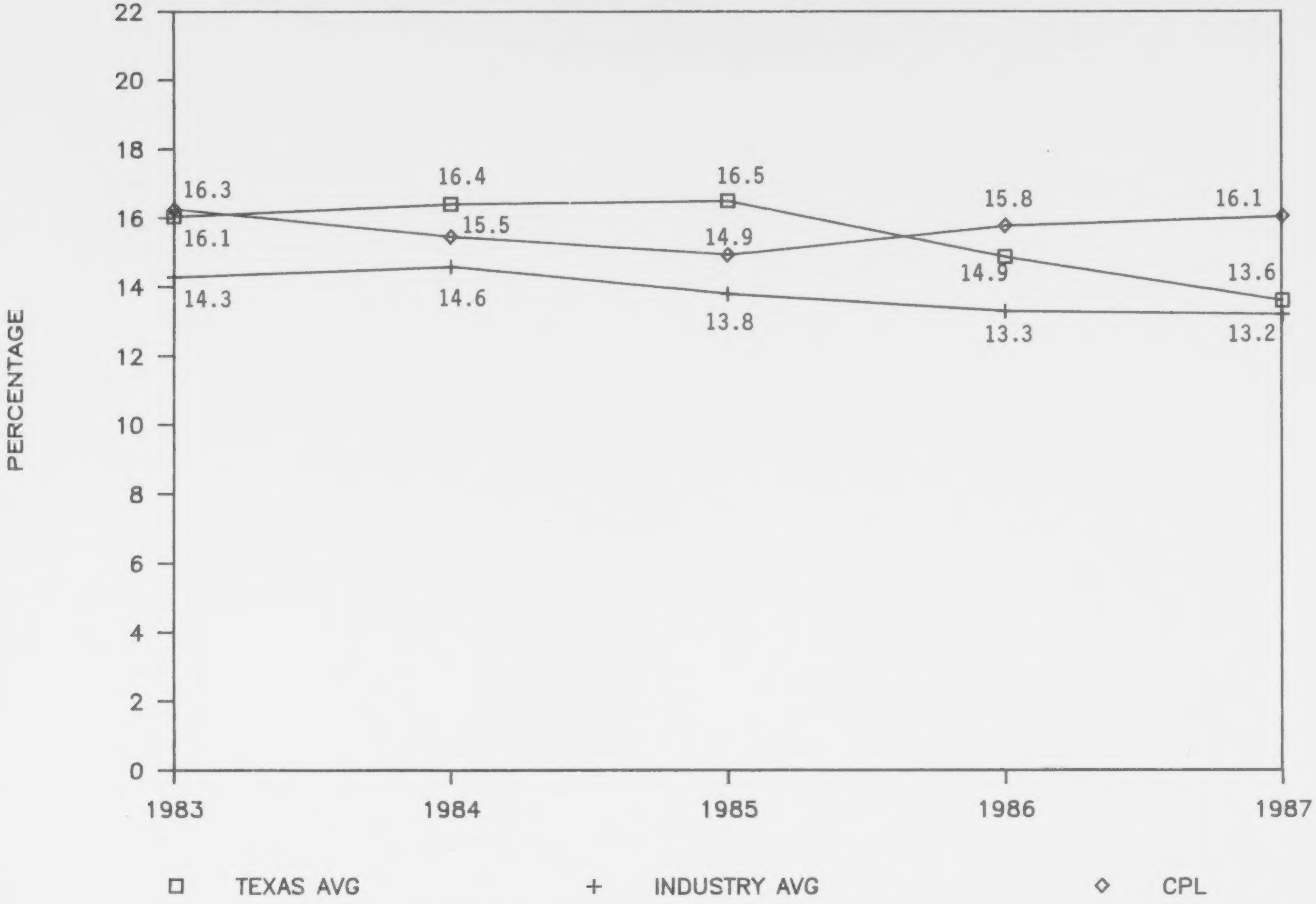
## CENTRAL POWER & LIGHT



*Includes updates through August 1988.

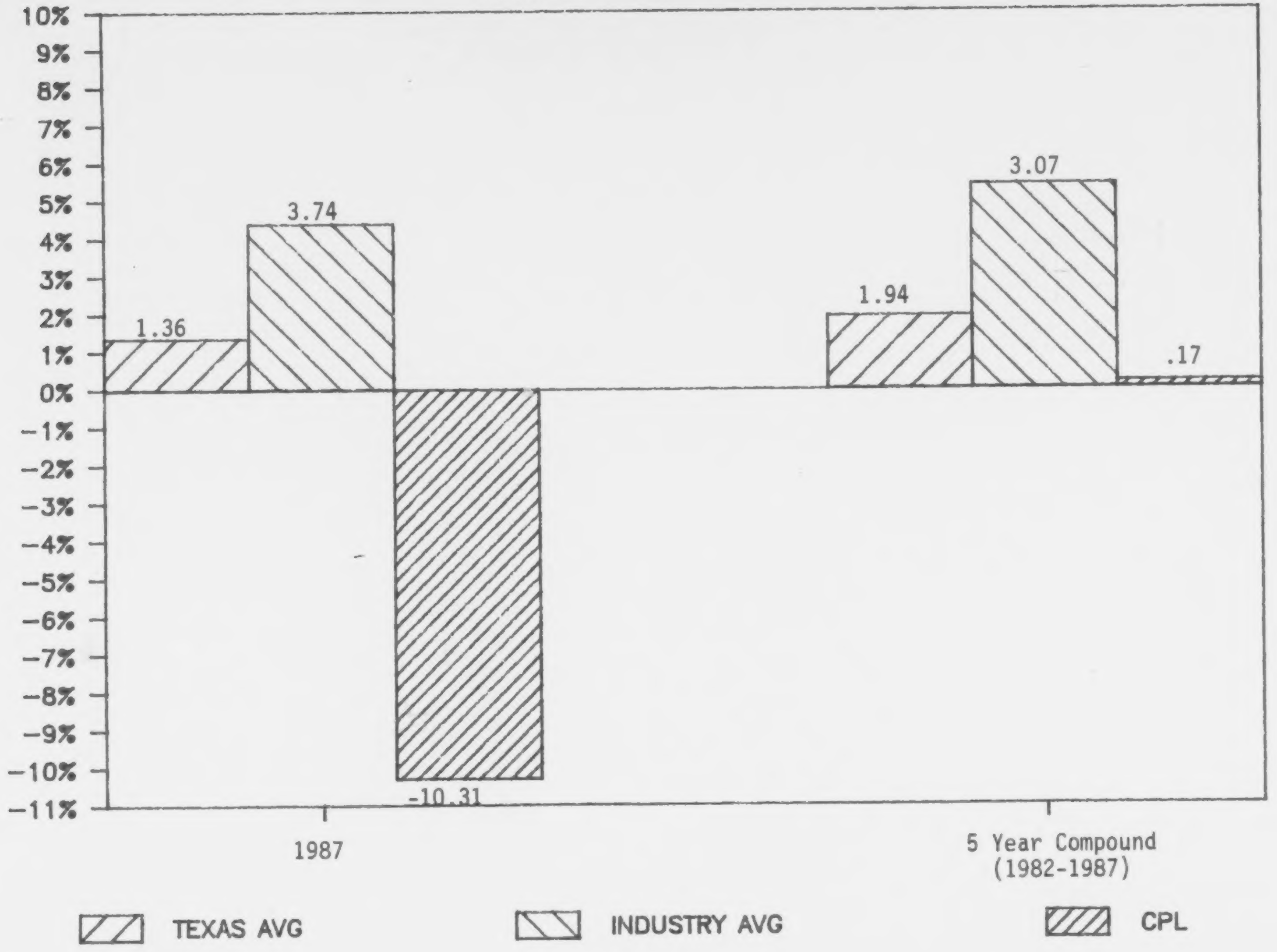
# EARNED RETURN ON EQUITY

## CENTRAL POWER & LIGHT



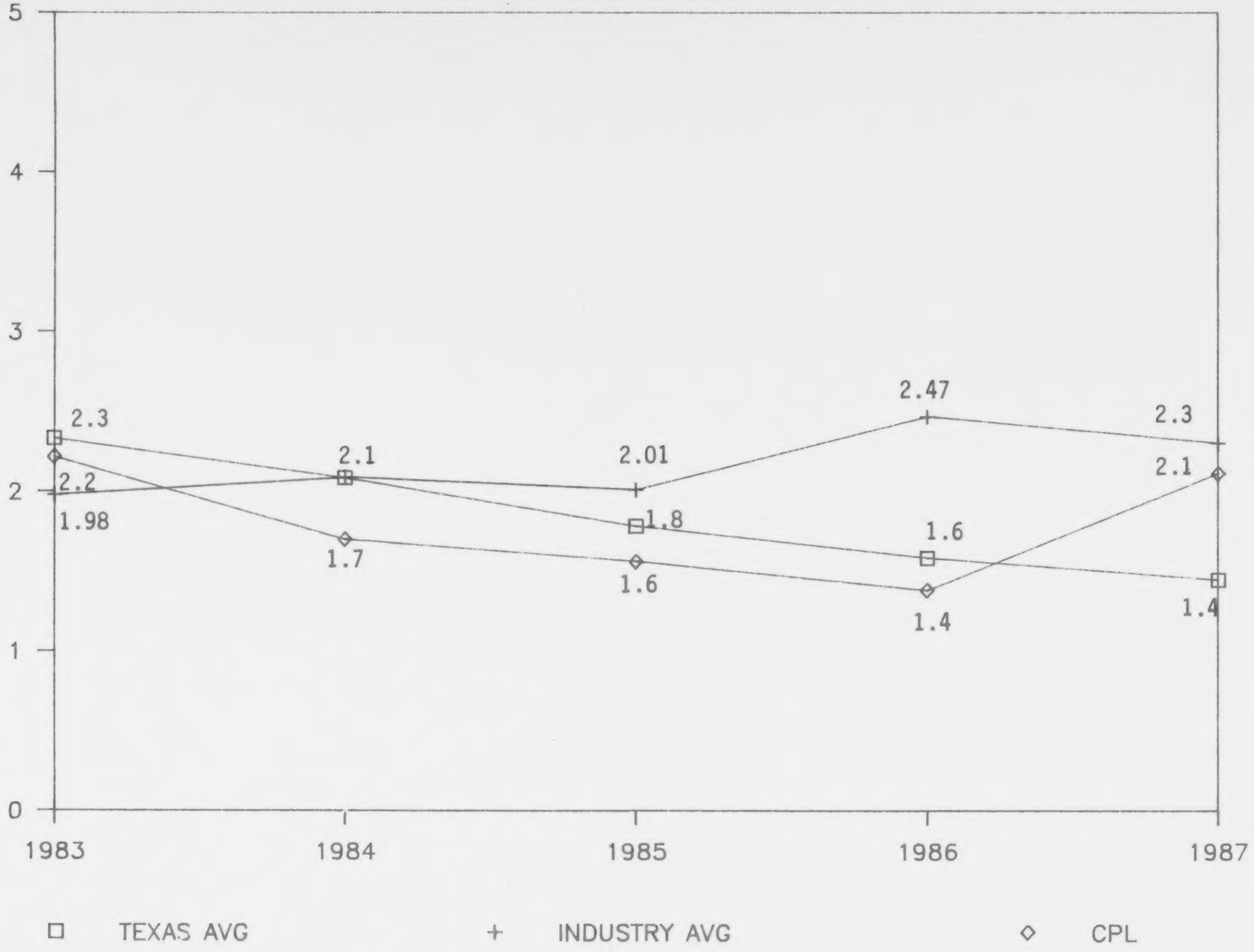
# MWH SALES GROWTH

## CENTRAL POWER & LIGHT



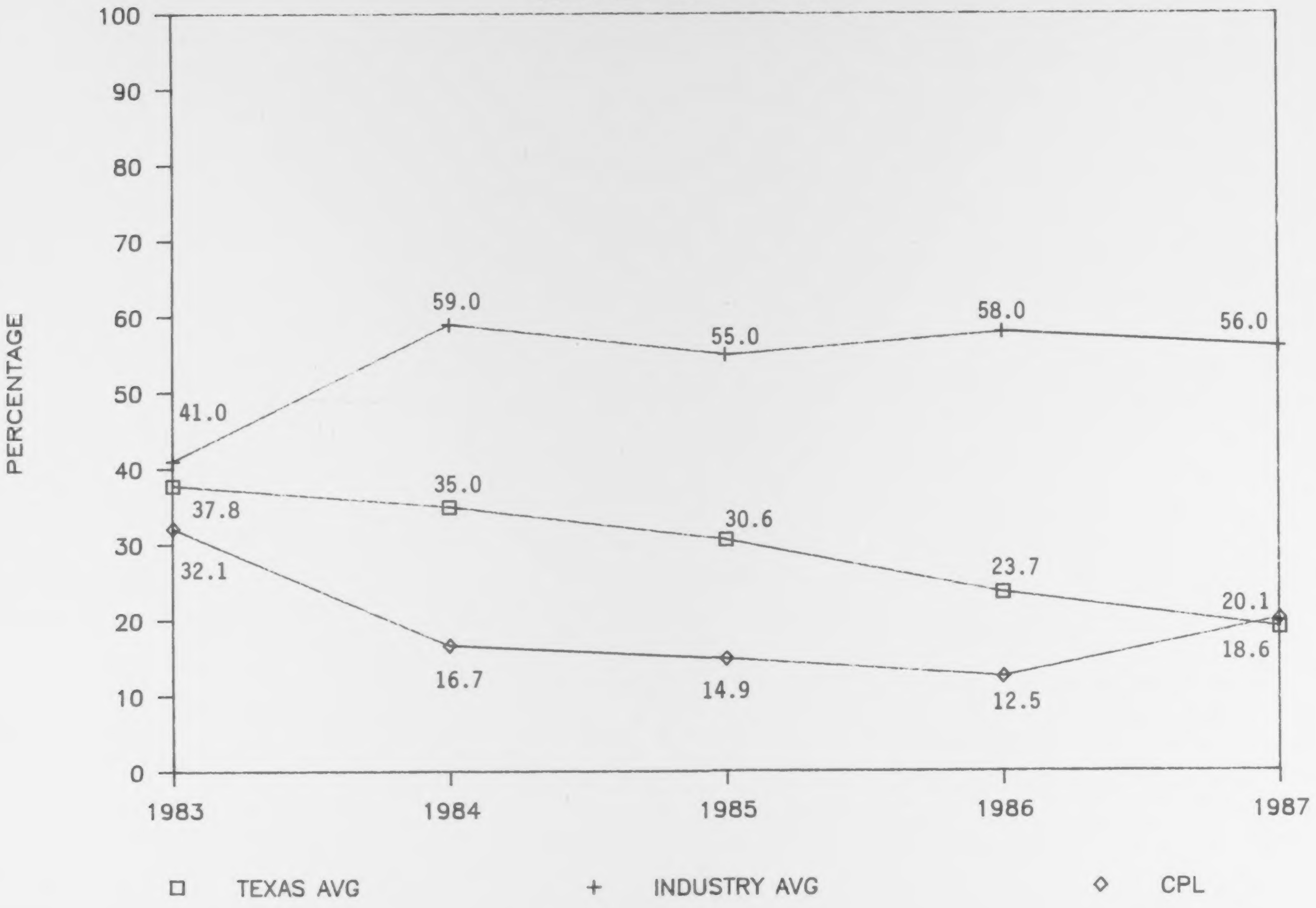
# CASH FLOW COVERAGE OF DIVIDENDS

## CENTRAL POWER & LIGHT



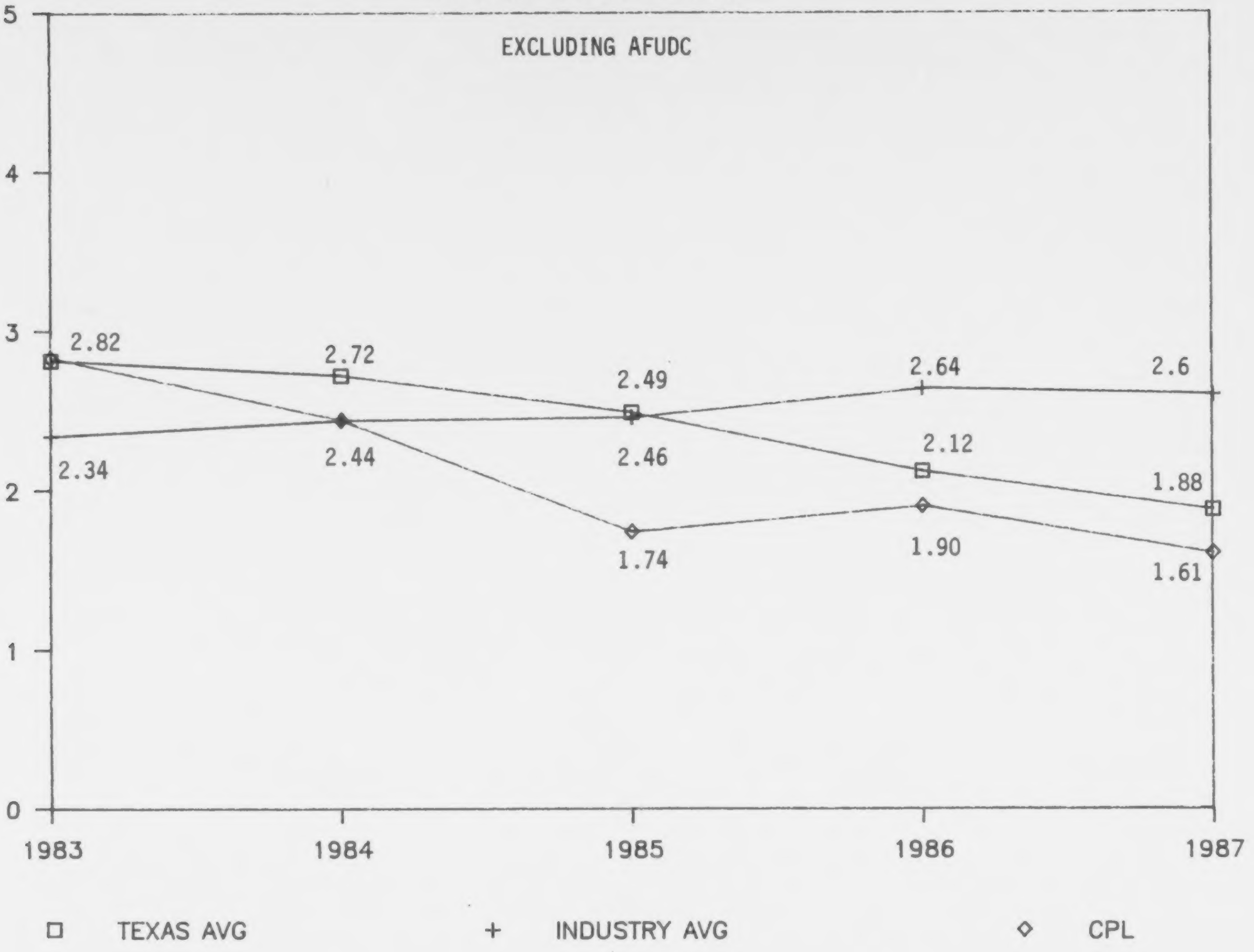
# FUNDS GENERATED INTERNALLY (%)

CENTRAL POWER & LIGHT



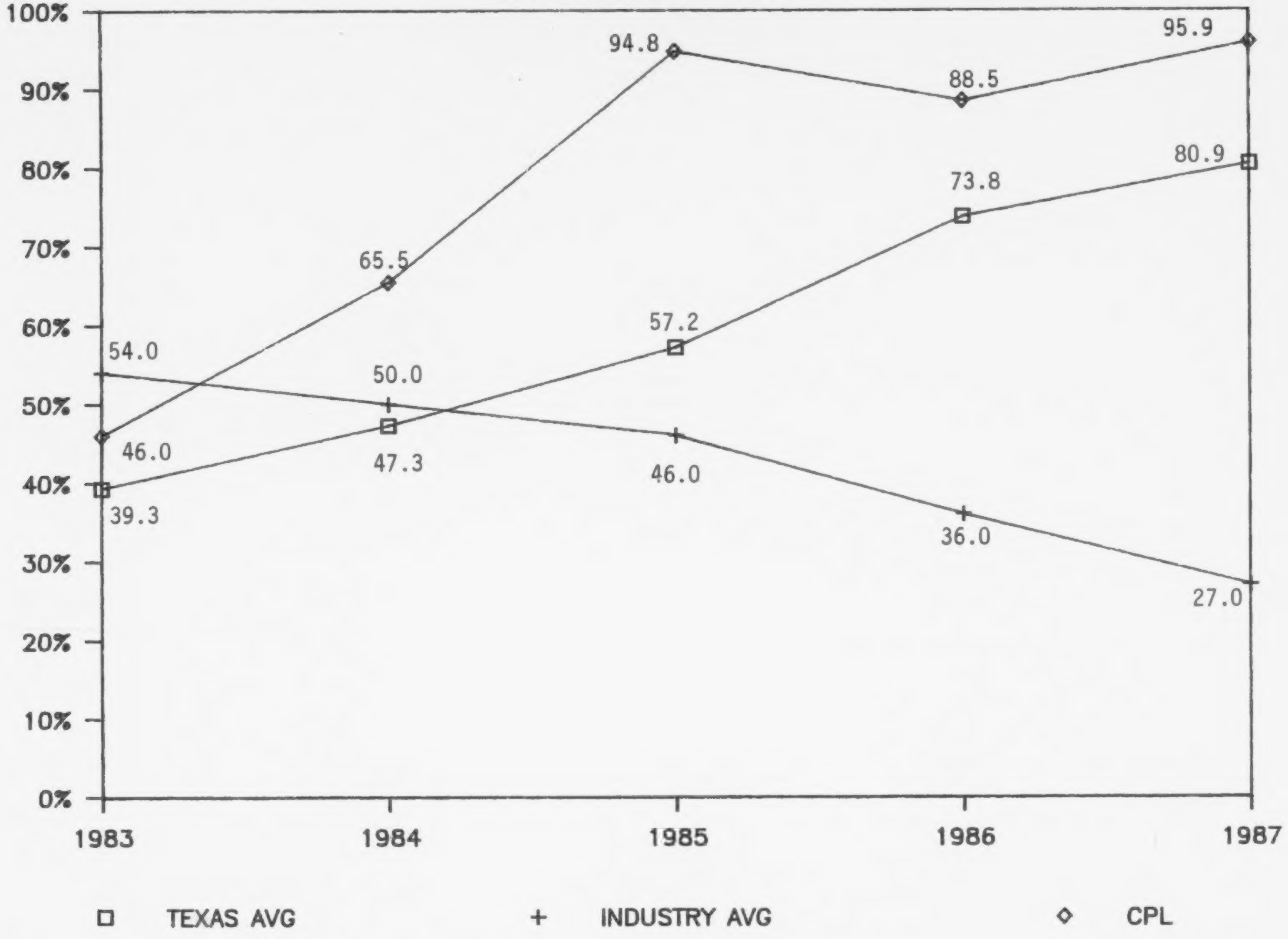
# PRE–TAX INTEREST COVERAGE

## CENTRAL POWER & LIGHT



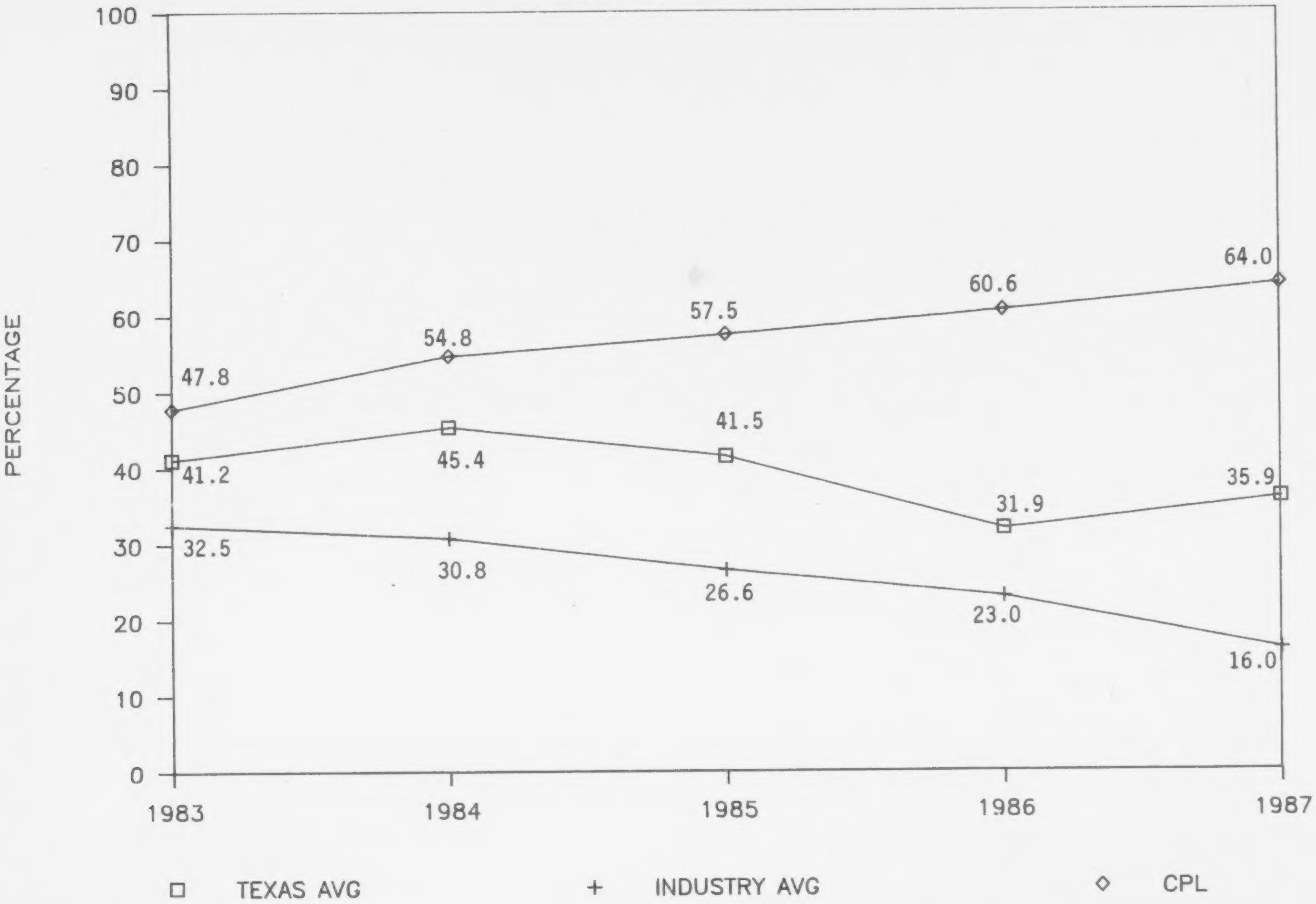
# RATIO OF AFUDC TO INCOME TO COMMON

## CENTRAL POWER & LIGHT



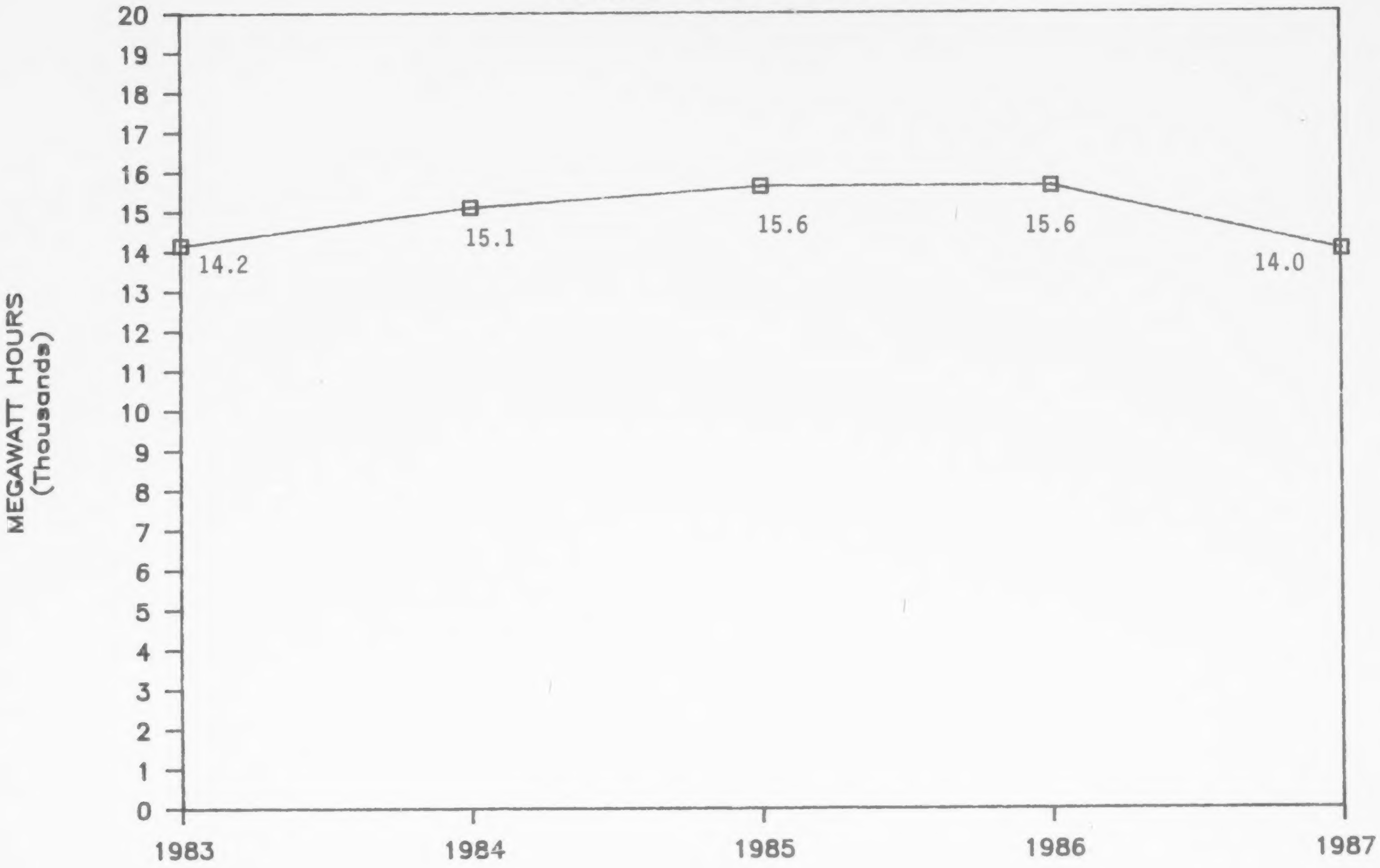
# CWIP AS A % OF NET PLANT

## CENTRAL POWER & LIGHT



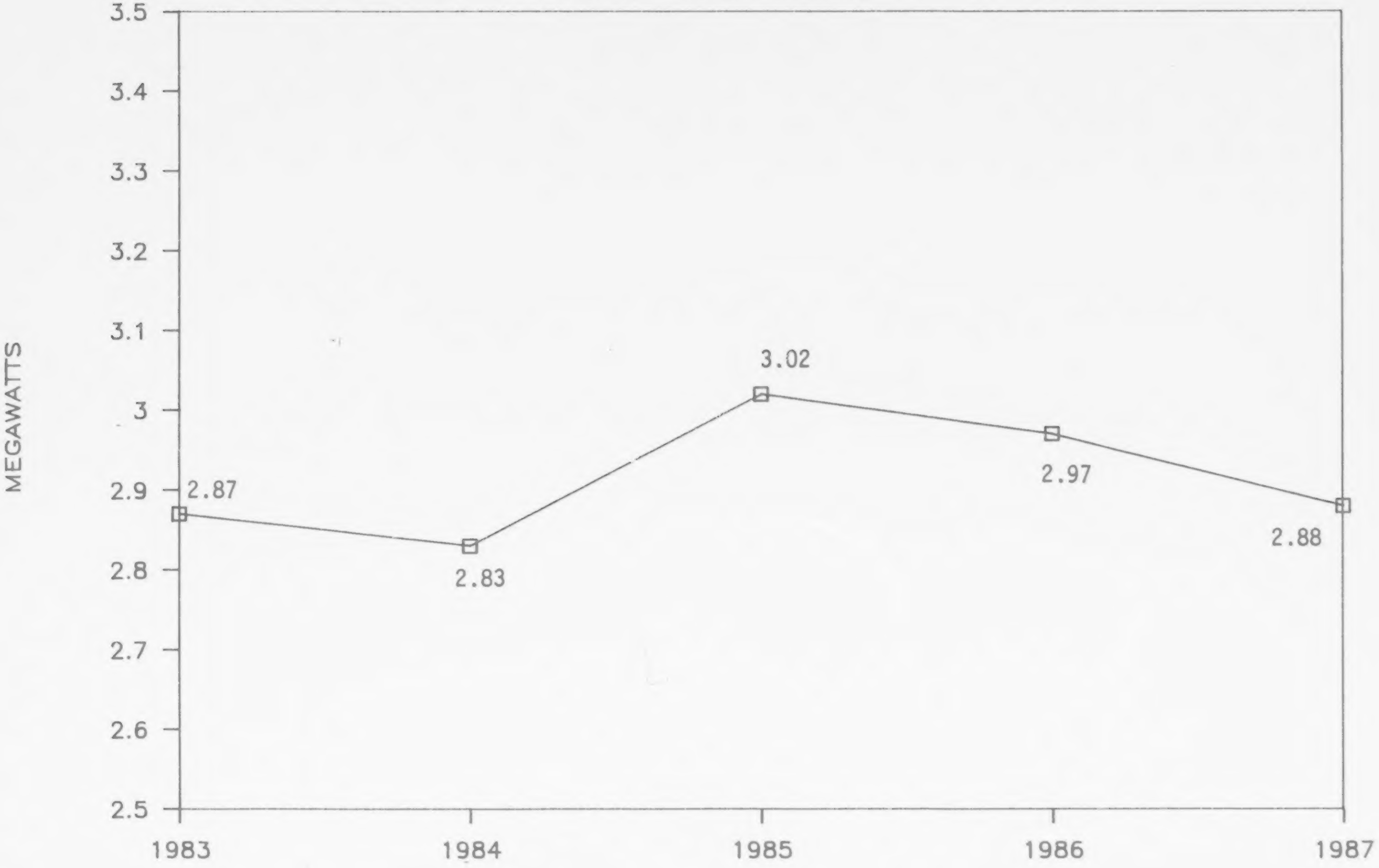
# MWH SALES

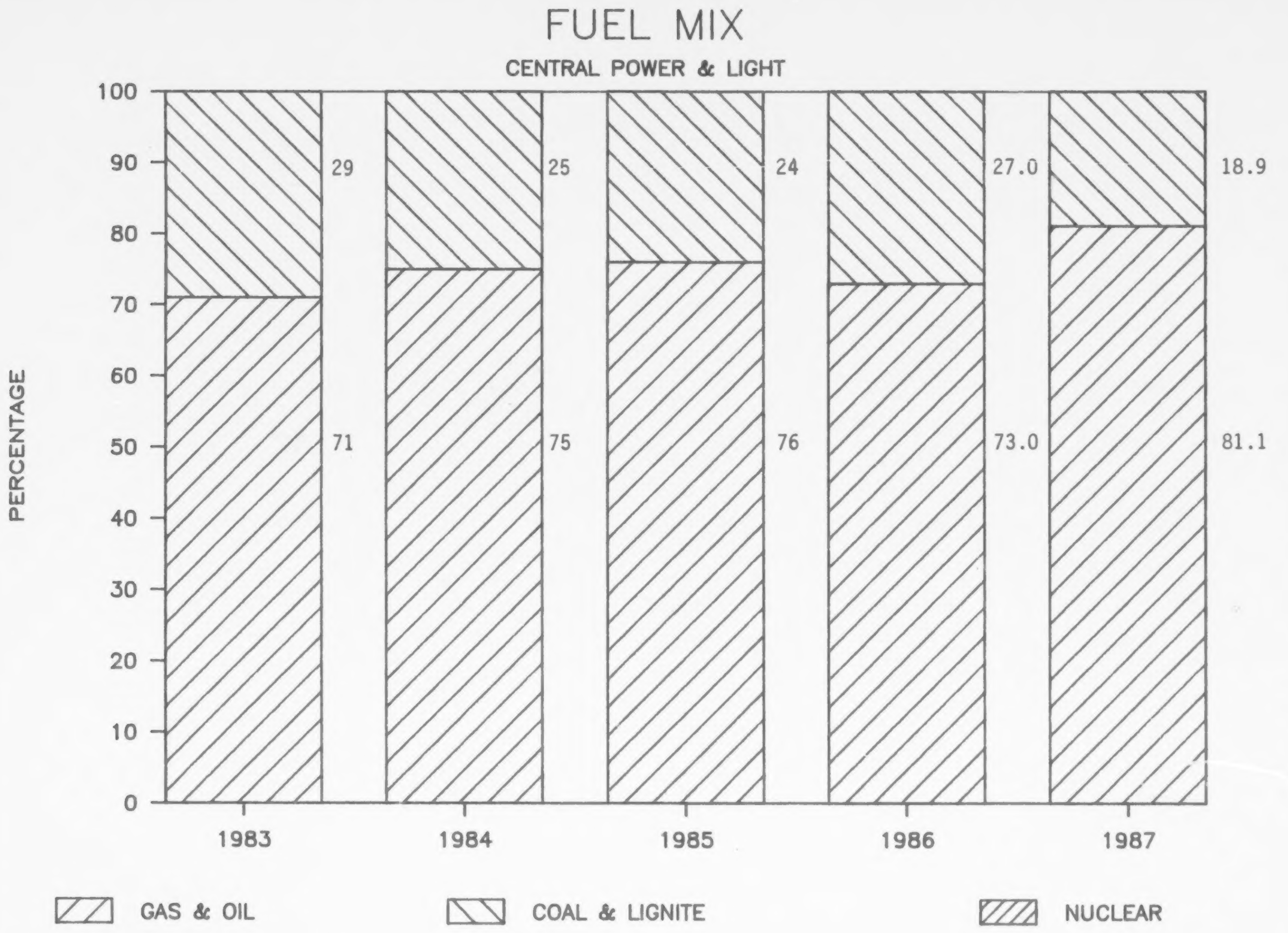
## CENTRAL POWER & LIGHT



# PEAK DEMAND

## CENTRAL POWER & LIGHT




FUEL MIX
CENTRAL POWER & LIGHT
PERCENTAGE
100
90
80
70
60
50
40
30
20
10
0
29
71
25
75
24
76
27.0
73.0
18.9
81.1
1983
1984
1985
1986
1987
GAS & OIL
COAL & LIGNITE
NUCLEAR

## TEXAS PUC - COMPANY ANALYSIS REPORT
## CENTRAL POWER & LIGHT CO (CPL)
## FOR THE FIVE YEARS ENDED 1987

### OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 14,028 | 15,640 | 15,636 | 15,109 | 14,159 | -10.3 | 0.0 | 3.5 | 6.7 | 1.8 | 0.2 | 1.9 |
| MW PEAK DEMAND | 2,881 | 2,974 | 3,022 | 2,832 | 2,869 | -3.1 | -1.6 | 6.7 | -1.3 | 1.6 | 0.4 | 3.0 |
| RESERVE MARGIN | 28.4 | 24.5 | 22.0 | 29.5 | 26.4 | | | | | | | |
| RES CENTS PER KWH | 5.9 | 6.2 | 6.6 | 7.1 | 7.5 | -5.2 | -5.7 | -6.8 | -5.1 | 5.4 | -3.6 | -0.1 |
| RES KWH PER CUST PER MO | 857 | 856 | 856 | 829 | 785 | 0.1 | 0.1 | 3.2 | 5.6 | -4.6 | 0.8 | 0.5 |
| CONSTR EXP(000 $) | 275,846 | 293,124 | 326,993 | 307,187 | 235,724 | -5.9 | -10.4 | 6.4 | 30.3 | 23.9 | 7.7 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 81.1 | 73.0 | 76.0 | 75.0 | 71.0 | | | | | | | |
| COAL/LIGNITE | 18.9 | 27.0 | 24.0 | 25.0 | 29.0 | | | | | | | |

### FINANCIAL DATA

| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 3.92 | 3.75 | 3.61 | 3.43 | 3.02 | 4.5 | 3.9 | 5.2 | 13.6 | 7.1 | 6.8 | 4.6 |
| DIVIDENDS PER SHARE($) | 2.28 | 2.02 | 2.02 | 1.90 | 1.78 | 12.9 | 0.0 | 6.3 | 6.7 | 6.0 | 6.3 | 3.6 |
| STOCK PRICE($) | 29.50 | 34.25 | 27.50 | 22.75 | 19.50 | -13.9 | 24.5 | 20.9 | 16.7 | 10.6 | 10.8 | 6.7 |
| BOOK VALUE PER SHARE($) | 26.52 | 24.89 | 23.29 | 21.68 | 20.21 | 6.5 | 6.9 | 7.4 | 7.3 | 6.3 | 6.9 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 16.1 | 15.8 | 14.9 | 15.5 | 16.3 | 15.7 | 15.5 |
| AFC TO EARN | 95.9 | 88.5 | 94.8 | 65.5 | 46.0 | 78.1 | 59.7 |
| YIELD | 7.2 | 6.5 | 8.0 | 9.0 | 9.6 | 8.1 | 8.8 |
| PAYOUT RATIO | 58.2 | 53.9 | 56.0 | 55.4 | 58.9 | 56.5 | 60.5 |
| MARKET TO BOOK | 111.2 | 137.6 | 118.1 | 104.9 | 96.5 | 113.7 | 107.1 |
| PE RATIO(X) | 8.1 | 8.2 | 7.0 | 6.2 | 6.1 | 7.1 | 7.0 |
| INTERNAL GEN | 20.1 | 12.5 | 14.9 | 16.7 | 32.1 | 19.3 | 29.1 |
| INT COV INCL AFC(X) | 3.0 | 3.1 | 2.9 | 3.4 | 3.5 | 3.2 | 3.2 |
| INT COV EXCL AFC(X) | 1.6 | 1.9 | 1.7 | 2.4 | 2.8 | 2.1 | 2.4 |
| CASH FLOW COV OF DIV | 2.1 | 1.4 | 1.6 | 1.7 | 2.2 | 1.8 | 1.8 |
| LONG TERM DEBT RATIO | 46.2 | 45.7 | 46.0 | 45.6 | 44.6 | 45.6 | 46.1 |
| COMMON EQUITY RATIO | 45.4 | 45.0 | 45.5 | 44.8 | 44.3 | 45.0 | 44.4 |
| PREFERRED STOCK RATIO | 8.4 | 9.3 | 8.5 | 9.6 | 11.1 | 9.4 | 9.5 |
| EFFECTIVE TAX RATE | 20.1 | 29.5 | 29.3 | 32.9 | 35.9 | 29.5 | 30.2 |
| BOND RATING | A1/A | A1/A | Aa3/A | Aa3/AA- | Aa2/AA | | |
| PCT TPUC JURIS SALES | 96.1 | | | | | | |

### TEXAS PUC - COMPANY ANALYSIS REPORT
### CENTRAL POWER & LIGHT CO (CPL)
### FOR THE FIVE YEARS ENDED 1987

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 768,264 | 859,975 | 924,908 | 972,184 | 946,281 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -10.7 | -7.0 | -4.9 | 2.7 | 5.2 | -3.1 | 1.5 | | | | | | | |
| FUEL & PP | 317,307 | 397,404 | 493,184 | 548,889 | 549,823 | | | 41.3 | 46.2 | 53.3 | 56.5 | 58.1 | 51.1 | 49.1 |
| | -20.2 | -19.4 | -10.1 | -0.2 | 0.7 | -10.3 | -2.8 | | | | | | | |
| O & M | 165,167 | 159,407 | 148,329 | 133,393 | 110,439 | | | 21.5 | 18.5 | 16.0 | 13.7 | 11.7 | 16.3 | 17.3 |
| | 3.6 | 7.5 | 11.2 | 20.8 | 14.0 | 11.3 | 8.7 | | | | | | | |
| DEPR | 55,115 | 52,223 | 48,577 | 47,208 | 44,082 | | | 7.2 | 6.1 | 5.3 | 4.9 | 4.7 | 5.6 | 5.9 |
| | 5.5 | 7.5 | 2.9 | 7.1 | 8.8 | 6.4 | 10.0 | | | | | | | |
| CURR FIT | 6,873 | 6,589 | -16,709 | 31,642 | 33,057 | | | 0.9 | 0.8 | -1.8 | 3.3 | 3.5 | 1.3 | 2.2 |
| DEF TAX | 28,889 | 42,750 | 68,069 | 11,006 | 15,080 | | | 3.8 | 5.0 | 7.4 | 1.1 | 1.6 | 3.8 | 2.8 |
| ITC | 14,301 | 19,748 | 11,606 | 24,258 | 19,122 | | | 1.9 | 2.3 | 1.3 | 2.5 | 2.0 | 2.0 | 1.3 |
| FIT | 50,063 | 69,087 | 62,966 | 66,906 | 67,259 | | | 6.5 | 8.0 | 6.8 | 6.9 | 7.1 | 7.1 | 6.3 |
| | -27.5 | 9.7 | -5.9 | -0.5 | 17.9 | -2.6 | -0.6 | | | | | | | |
| OTH TAX | 38,177 | 36,388 | 32,940 | 31,865 | 29,430 | | | 5.0 | 4.2 | 3.6 | 3.3 | 3.1 | 3.8 | 5.0 |
| | 4.9 | 10.5 | 3.4 | 8.3 | -24.8 | -0.5 | 8.1 | | | | | | | |
| OPER INC | 142,435 | 145,466 | 138,912 | 143,923 | 145,248 | | | 18.5 | 16.9 | 15.0 | 14.8 | 15.3 | 16.1 | 16.3 |
| | -2.1 | 4.7 | -3.5 | -0.9 | 21.4 | 3.6 | 2.9 | | | | | | | |
| AFC | 168,877 | 139,937 | 129,158 | 79,765 | 50,800 | | | 22.0 | 16.3 | 14.0 | 8.2 | 5.4 | 13.2 | 8.1 |
| | 20.7 | 8.3 | 61.9 | 57.0 | 8.2 | 29.2 | 24.4 | | | | | | | |
| OTH INC | 825 | 3,053 | 64 | 618 | 852 | | | 0.1 | 0.4 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| INTEREST | 120,210 | 114,291 | 115,970 | 86,572 | 75,332 | | | 15.6 | 13.3 | 12.5 | 8.9 | 8.0 | 11.7 | 9.7 |
| | 5.2 | -1.4 | 34.0 | 14.9 | 19.5 | 13.8 | 9.8 | | | | | | | |
| NET INCOME | 191,927 | 174,165 | 152,164 | 137,734 | 121,568 | | | 25.0 | 20.3 | 16.5 | 14.2 | 12.8 | 17.7 | 14.9 |
| | 10.2 | 14.5 | 10.5 | 13.3 | 15.9 | 12.8 | 11.4 | | | | | | | |
| PREF DIV | 15,820 | 16,010 | 15,991 | 16,005 | 11,120 | | | 2.1 | 1.9 | 1.7 | 1.6 | 1.2 | 1.7 | 1.7 |
| | -1.2 | 0.1 | -0.1 | 43.9 | 1.4 | 7.6 | 10.4 | | | | | | | |
| INC TO COM | 176,107 | 158,155 | 136,173 | 121,729 | 110,448 | | | 22.9 | 18.4 | 14.7 | 12.5 | 11.7 | 16.0 | 13.2 |
| | 11.4 | 16.1 | 11.9 | 10.2 | 17.6 | 13.4 | 11.6 | | | | | | | |
| COMMON DIV | 50,000 | 96,155 | 86,535 | 73,178 | 62,243 | | | 6.5 | 11.2 | 9.4 | 7.5 | 6.6 | 8.2 | 8.4 |
| | -48.0 | 11.1 | 18.3 | 17.6 | 15.0 | -1.6 | 9.0 | | | | | | | |
| INC TO RE | 126,107 | 62,000 | 49,638 | 48,551 | 48,205 | | | 16.4 | 7.2 | 5.4 | 5.0 | 5.1 | 7.8 | 4.9 |

TEXAS PUC - COMPANY ANALYSIS REPORT
CENTRAL POWER & LIGHT CO (CPL)
FOR THE FIVE YEARS ENDED 1987

## BALANCE SHEET ANALYSIS

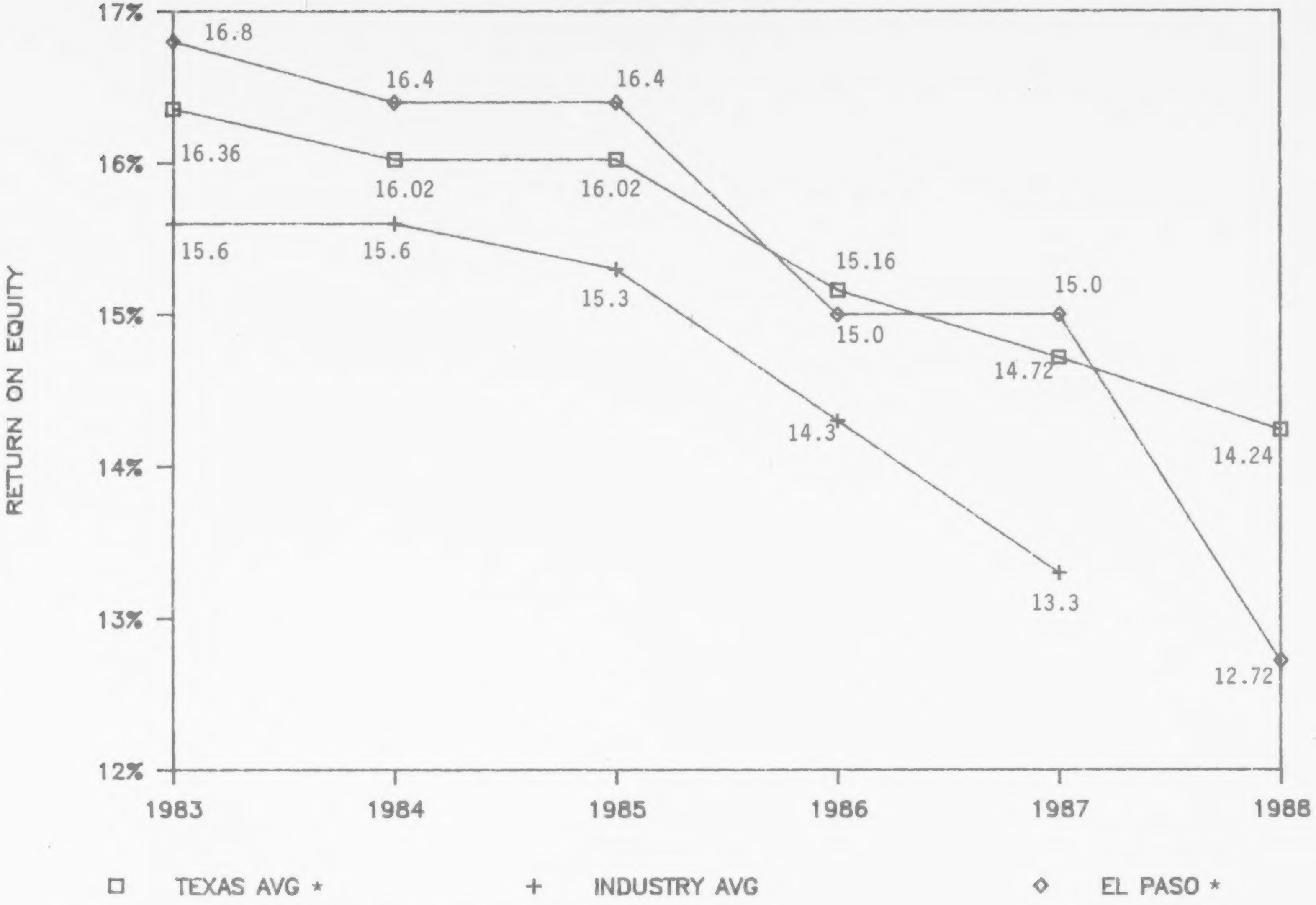
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 1,763,266 | 1,680,589 | 1,587,478 | 1,499,439 | 1,445,771 | | | 52.8 | 57.0 | 58.3 | 61.1 | 67.9 | 59.4 | 73.9 |
| CWIP & OTH | 2,090,302 | 1,746,380 | 1,469,141 | 1,259,538 | 939,718 | | | 62.5 | 59.2 | 53.9 | 51.3 | 44.1 | 54.2 | 35.5 |
| TOTAL PLANT | 3,853,568 | 3,426,969 | 3,056,619 | 2,758,977 | 2,385,489 | | | 115.3 | 116.2 | 112.2 | 112.4 | 112.0 | 113.6 | 109.4 |
| ACCUM DEPR | 589,909 | 546,285 | 503,405 | 458,834 | 418,037 | | | 17.7 | 18.5 | 18.5 | 18.7 | 19.6 | 18.6 | 19.0 |
| NET PLANT | 3,263,659 | 2,880,684 | 2,553,214 | 2,300,143 | 1,967,452 | | | 97.7 | 97.6 | 93.8 | 93.7 | 92.4 | 95.0 | 90.4 |
| | 13.3 | 12.8 | 11.0 | 16.9 | 13.5 | 13.5 | 10.4 | | | | | | | |
| CASH & INV | 737 | 3,131 | 86,975 | 482 | 18,567 | | | 0.0 | 0.1 | 3.2 | 0.0 | 0.9 | 0.8 | 1.8 |
| ACCTS REC | 14,866 | 16,666 | 9,758 | 55,425 | 69,196 | | | 0.4 | 0.6 | 0.4 | 2.3 | 3.2 | 1.4 | 2.5 |
| INVENTORY | 37,184 | 30,154 | 53,723 | 50,968 | 49,503 | | | 1.1 | 1.0 | 2.0 | 2.1 | 2.3 | 1.7 | 1.6 |
| OTH CURRENT | 12,074 | 6,917 | 3,156 | 29,973 | 5,999 | | | 0.4 | 0.2 | 0.1 | 1.2 | 0.3 | 0.4 | 0.5 |
| TOTAL CURR | 64,861 | 56,868 | 153,612 | 136,848 | 143,265 | | | 1.9 | 1.9 | 5.6 | 5.6 | 6.7 | 4.4 | 6.4 |
| | 14.1 | -63.0 | 12.3 | -4.5 | 21.6 | -11.2 | 10.2 | | | | | | | |
| OTH ASSETS | 13,429 | 12,577 | 16,535 | 18,621 | 19,038 | | | 0.4 | 0.4 | 0.6 | 0.8 | 0.9 | 0.6 | 3.2 |
| TOTAL ASSETS | 3,341,949 | 2,950,129 | 2,723,361 | 2,455,612 | 2,129,755 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 13.3 | 8.3 | 10.9 | 15.3 | 14.2 | 12.4 | 11.3 | | | | | | | |
| COMMON EQ | 1,159,550 | 1,033,443 | 971,443 | 851,805 | 723,254 | | | 34.7 | 35.0 | 35.7 | 34.7 | 34.0 | 34.8 | 34.5 |
| | 12.2 | 6.4 | 14.0 | 17.8 | 13.9 | 12.8 | 11.5 | | | | | | | |
| PREF STOCK | 213,442 | 213,060 | 181,979 | 181,989 | 182,024 | | | 6.4 | 7.2 | 6.7 | 7.4 | 8.5 | 7.2 | 7.3 |
| | 0.2 | 17.1 | 0.0 | 0.0 | 37.1 | 10.0 | 10.1 | | | | | | | |
| LT DEBT | 1,179,456 | 1,048,987 | 981,481 | 866,551 | 728,149 | | | 35.3 | 35.6 | 36.0 | 35.3 | 34.2 | 35.3 | 35.9 |
| | 12.4 | 6.9 | 13.3 | 19.0 | 12.5 | 12.7 | 10.5 | | | | | | | |
| TOTAL CAP | 2,552,448 | 2,295,490 | 2,134,903 | 1,900,345 | 1,633,427 | | | 76.4 | 77.8 | 78.4 | 77.4 | 76.7 | 77.3 | 77.7 |
| | 11.2 | 7.5 | 12.3 | 16.3 | 15.4 | 12.5 | 10.9 | | | | | | | |
| ST DEBT | 12,140 | 131 | 10,123 | 921 | 18,108 | | | 0.4 | 0.0 | 0.4 | 0.0 | 0.9 | 0.3 | 1.7 |
| OTH CURRENT | 198,653 | 161,495 | 147,904 | 175,731 | 158,841 | | | 5.9 | 5.5 | 5.4 | 7.2 | 7.5 | 6.3 | 6.5 |
| TOTAL CURR | 210,793 | 161,626 | 158,027 | 176,652 | 176,949 | | | 6.3 | 5.5 | 5.8 | 7.2 | 8.3 | 6.6 | 8.3 |
| | 30.4 | 2.3 | -10.5 | -0.2 | 5.6 | 4.7 | 9.4 | | | | | | | |
| ACC DEF TAX | 347,697 | 312,220 | 269,386 | 229,176 | 194,198 | | | 10.4 | 10.6 | 9.9 | 9.3 | 9.1 | 9.9 | 8.0 |
| | 11.4 | 15.9 | 17.5 | 18.0 | 10.2 | 14.6 | 15.6 | | | | | | | |
| ACC ITC | 195,094 | 180,793 | 161,045 | 149,439 | 125,181 | | | 5.8 | 6.1 | 5.9 | 6.1 | 5.9 | 6.0 | 5.3 |
| | 7.9 | 12.3 | 7.8 | 19.4 | 18.0 | 13.0 | 9.9 | | | | | | | |
| OTH LIAB | 35,917 | 0 | 0 | 0 | 0 | | | 1.1 | 0.0 | 0.0 | 0.0 | 0.0 | 0.2 | 0.7 |
| LIAB AND EQ | 3,341,949 | 2,950,129 | 2,723,361 | 2,455,612 | 2,129,755 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section III - El Paso Electric Company

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
7. Ratio of AFUDC to Income to Common 1983-1987
8. CWIP as a Percentage of Net Plant 1983-1987
9. Total Megawatt Hour Sales 1983-1987
10. Megawatt Peak Demand 1983-1987
11. Fuel Mix 1983-1987
12. Operating Data 1983-1987
13. Income Statement Analysis 1983-1987
14. Balance Sheet Analysis 1983-1987

# ALLOWED RETURN ON EQUITY

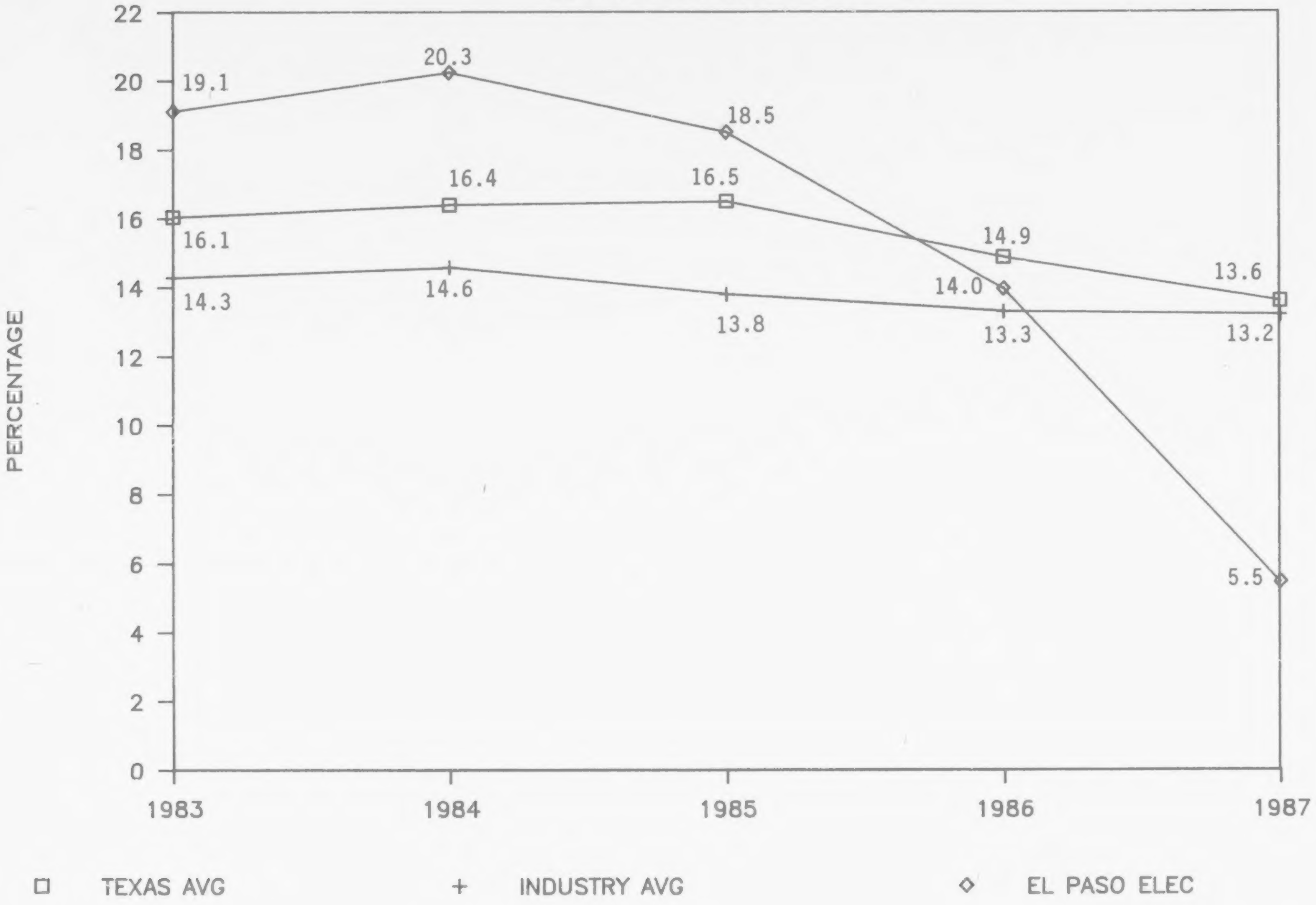
## EL PASO ELECTRIC CO.



*Includes updates through August 1988.

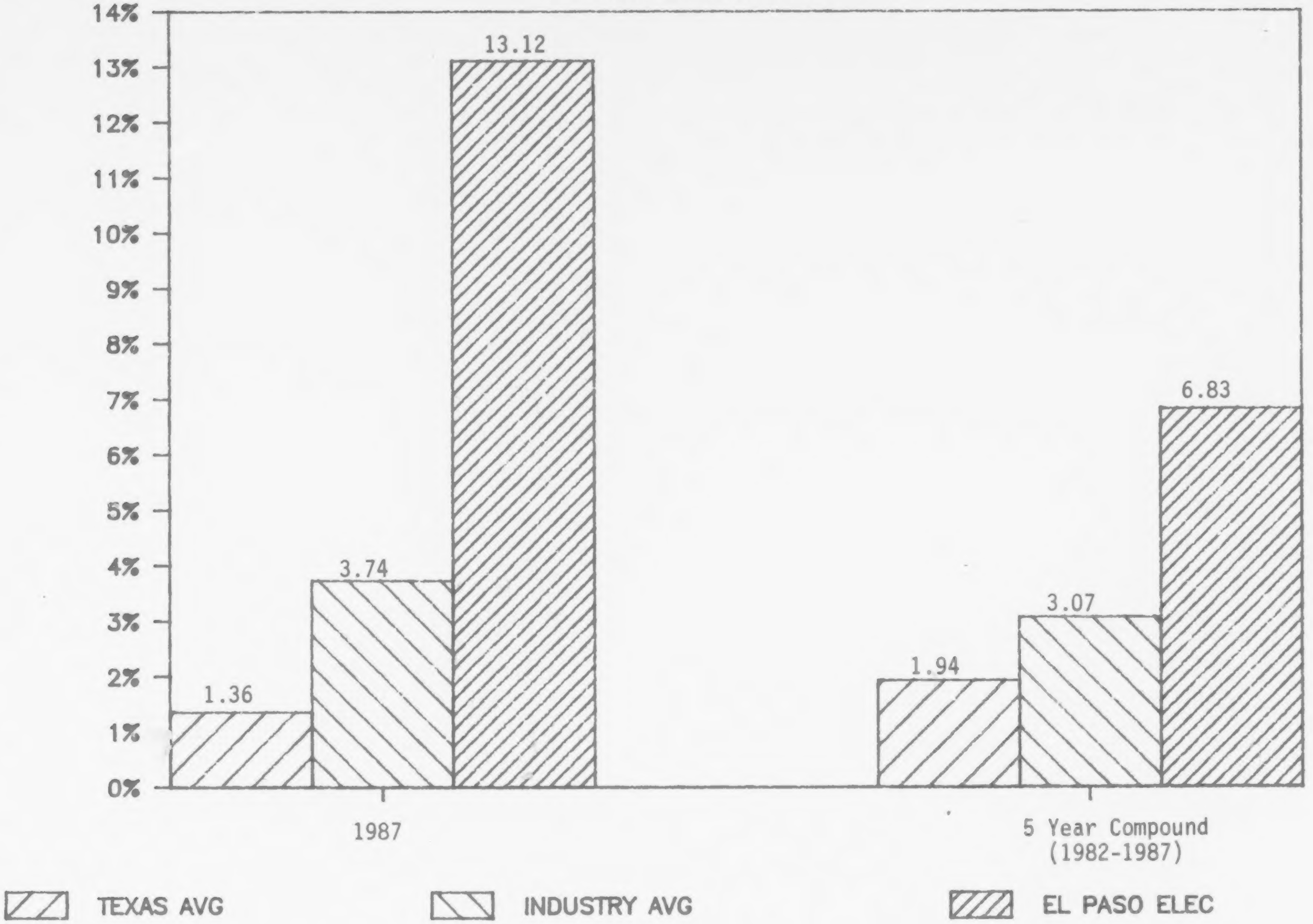
# EARNED RETURN ON EQUITY

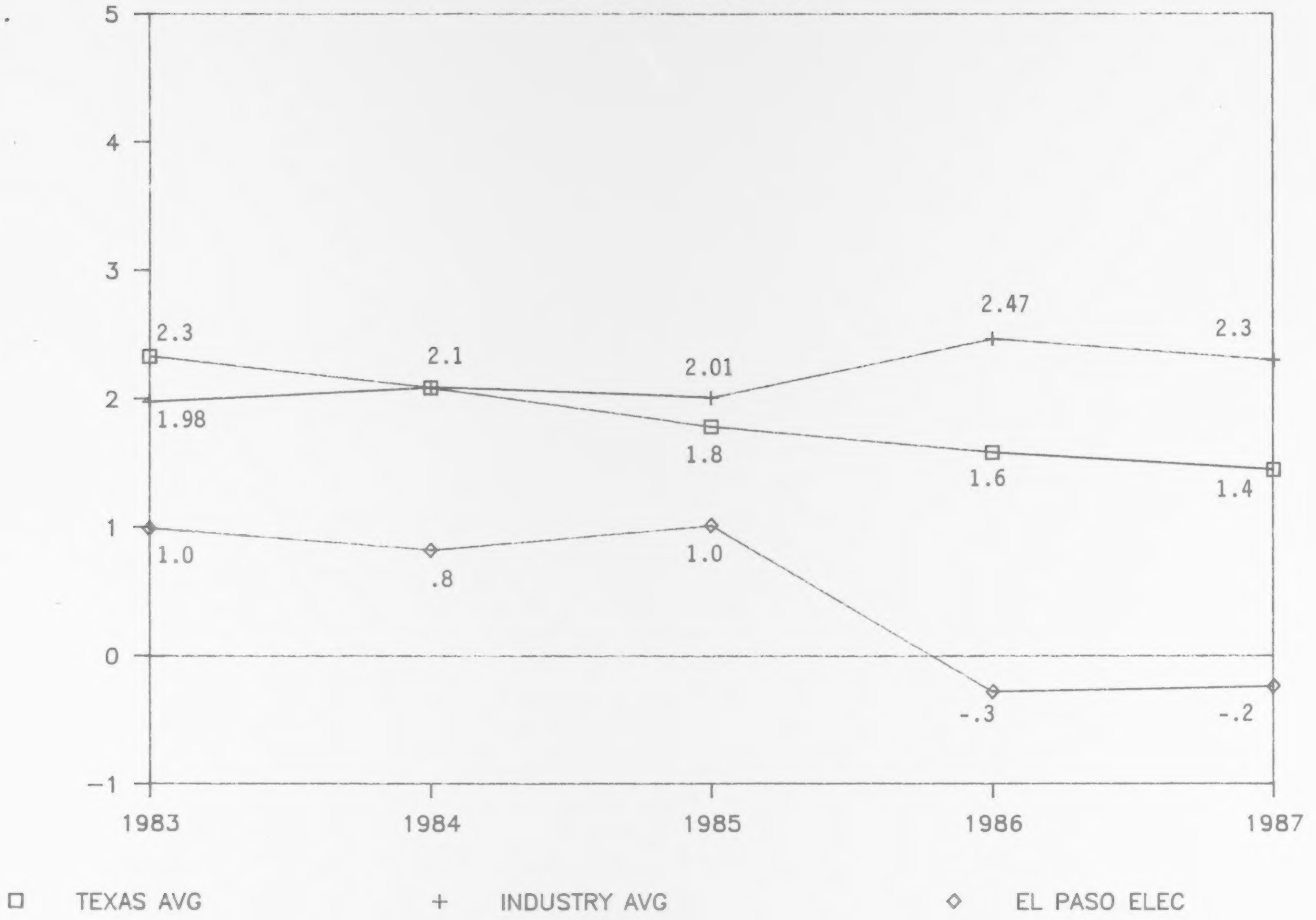
EL PASO ELECTRIC CO.



# MWH SALES GROWTH

## EL PASO ELECTRIC CO.



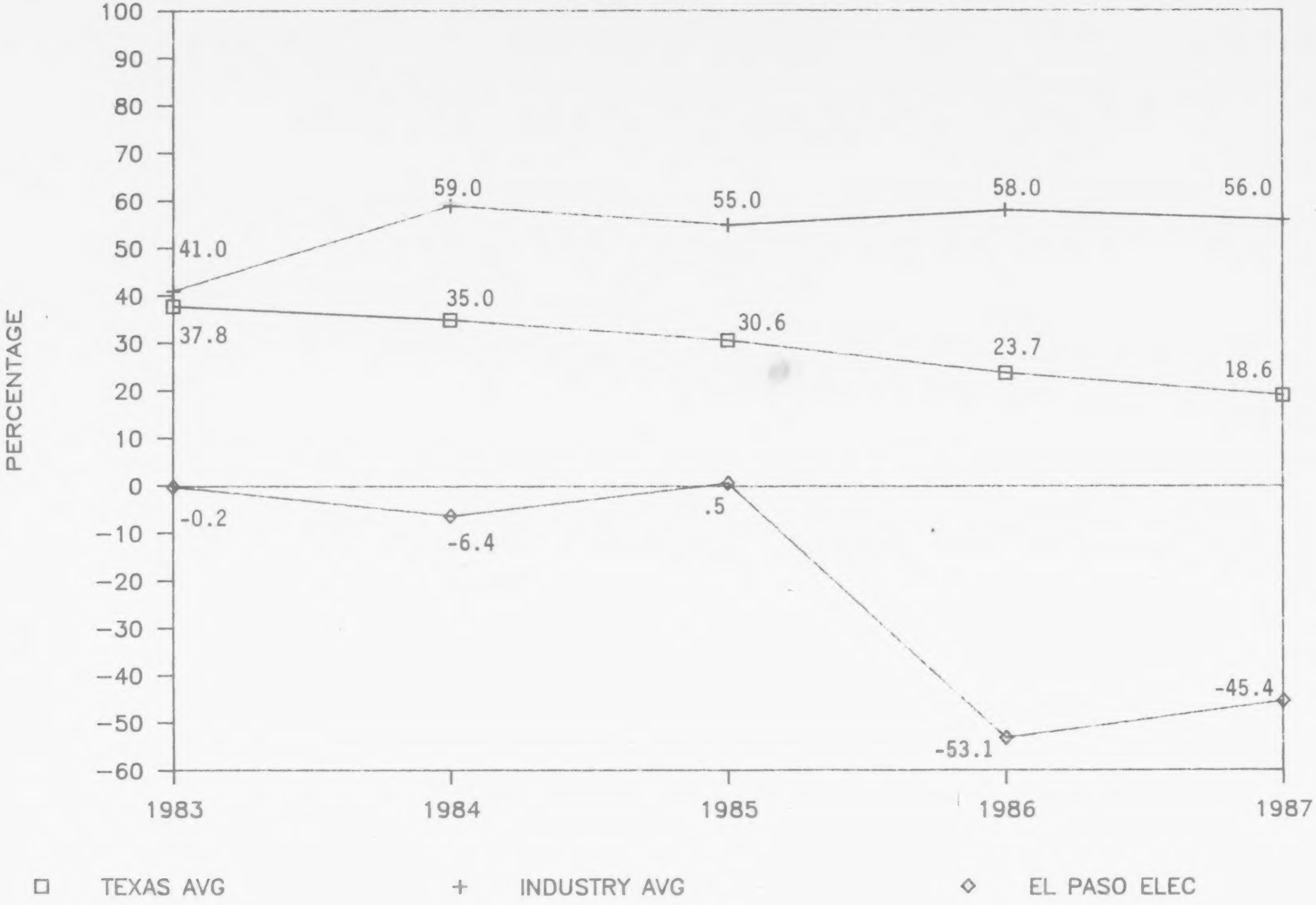


CASH FLOW COVERAGE OF DIVIDENDS

EL PASO ELECTRIC CO.

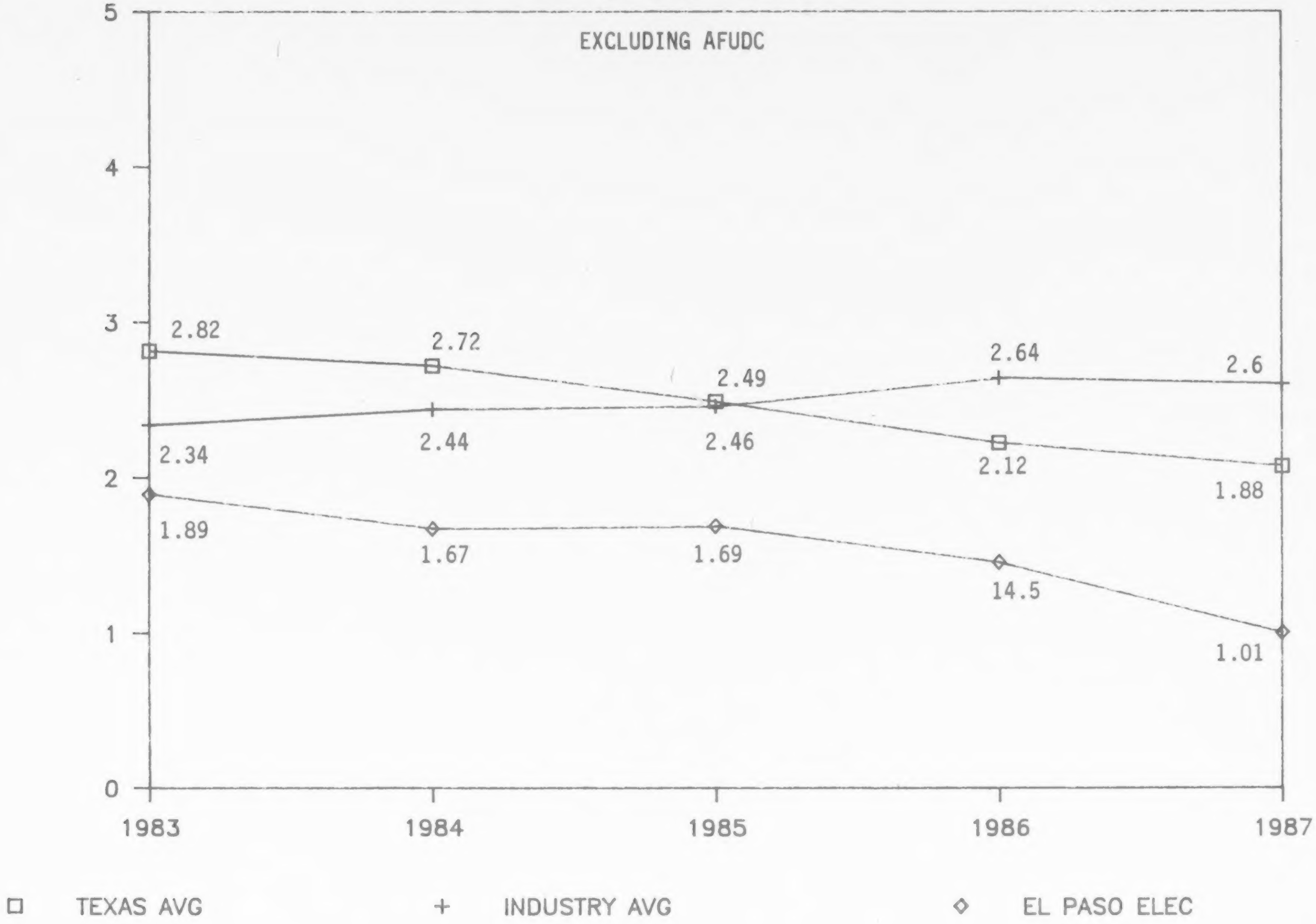
# FUNDS GENERATED INTERNALLY (%)

EL PASO ELECTRIC CO.



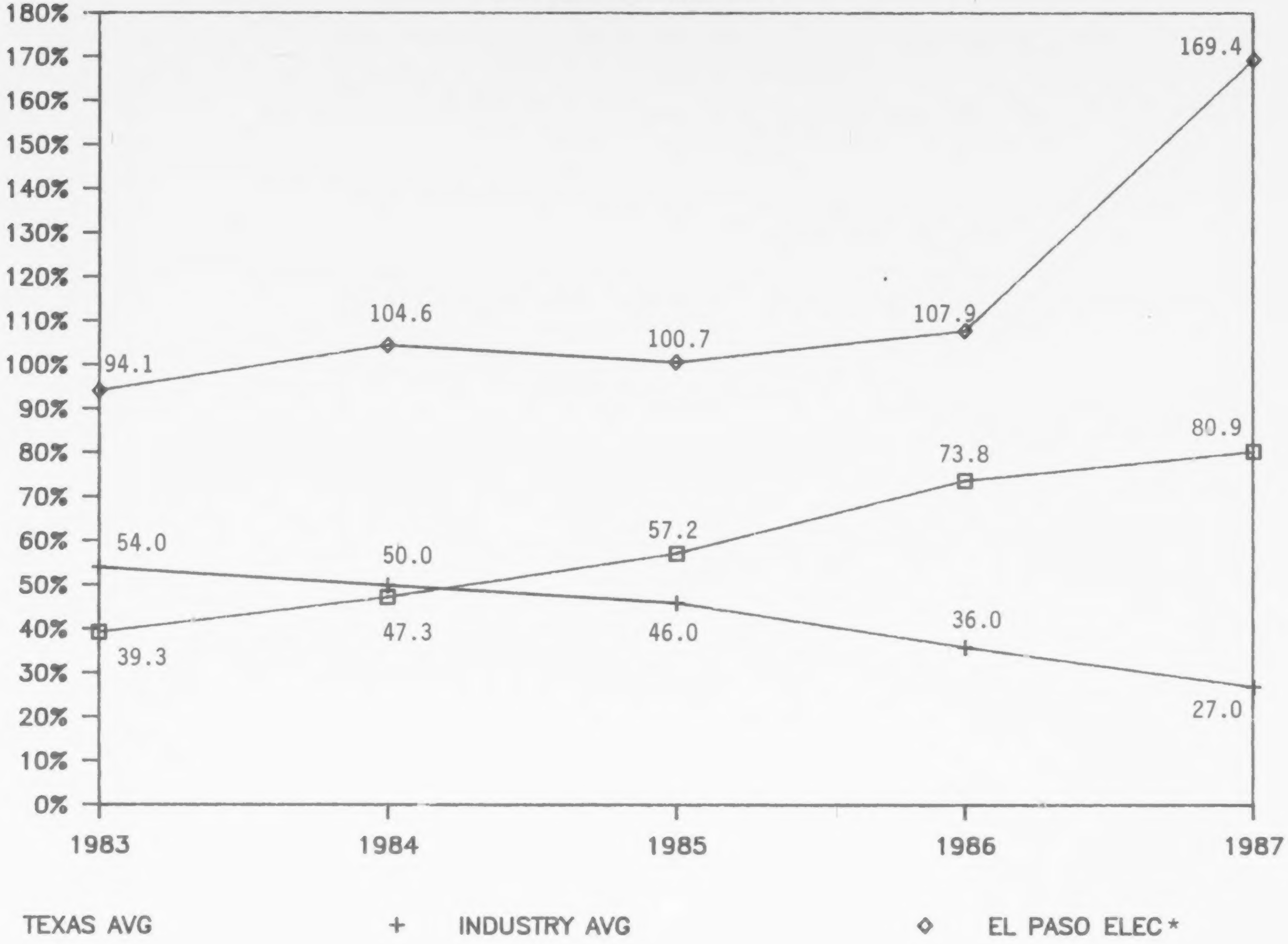
# PRE–TAX INTEREST COVERAGE

EL PASO ELECTRIC CO.



# RATIO OF AFUDC TO INCOME TO COMMON

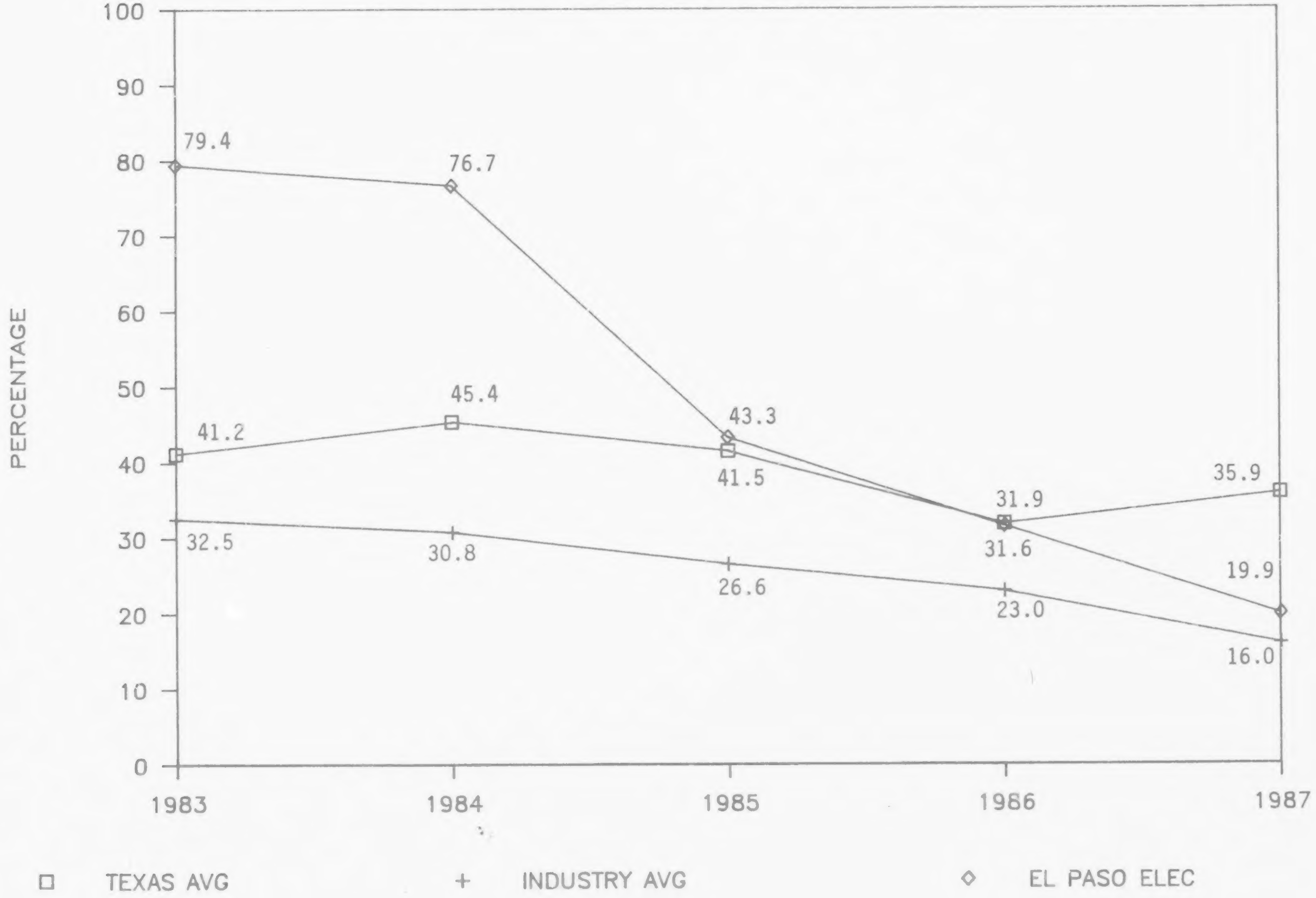
## EL PASO ELECTRIC CO.

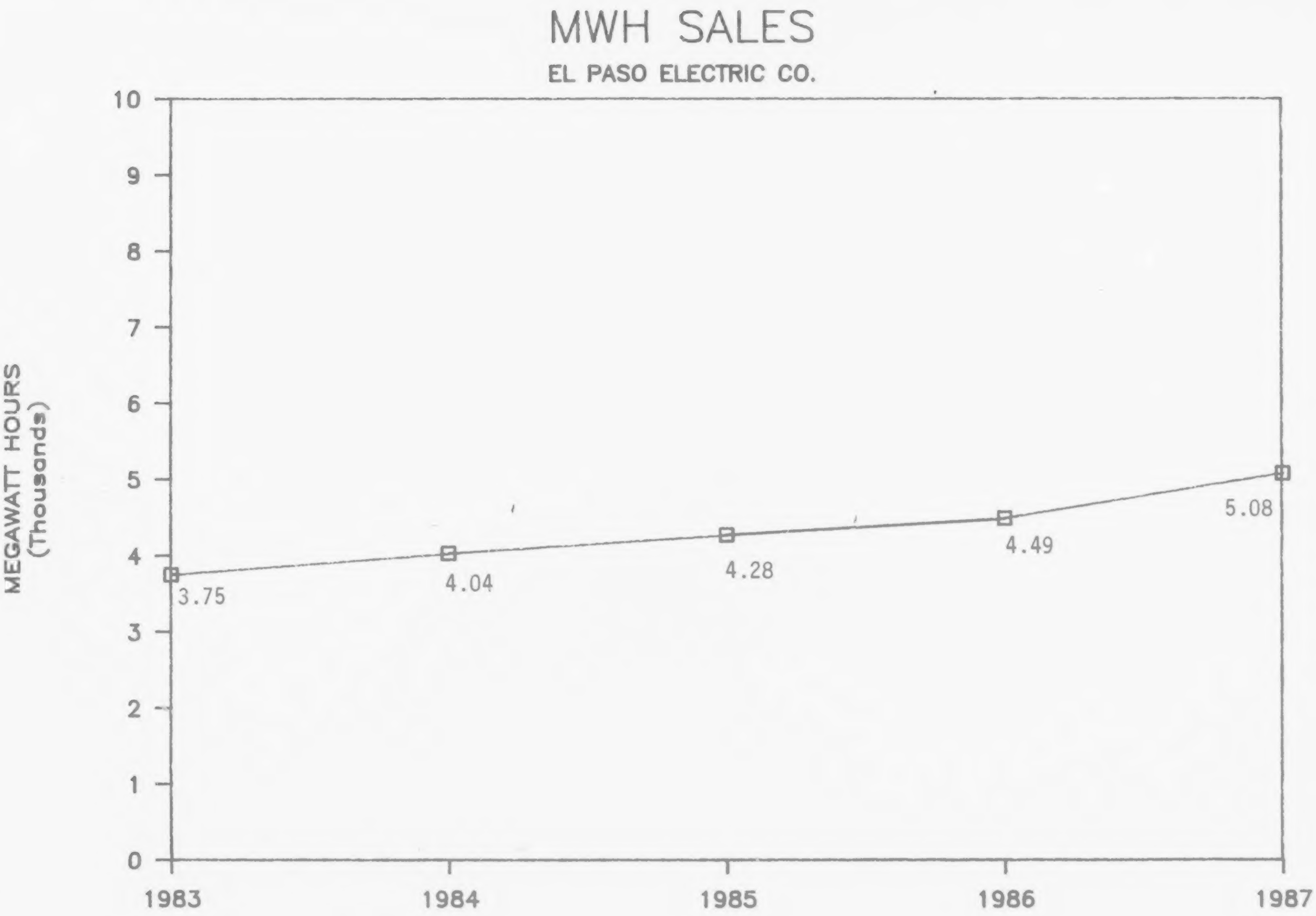


* Includes Deferrals

# CWIP AS A % OF NET PLANT

## EL PASO ELECTRIC CO.



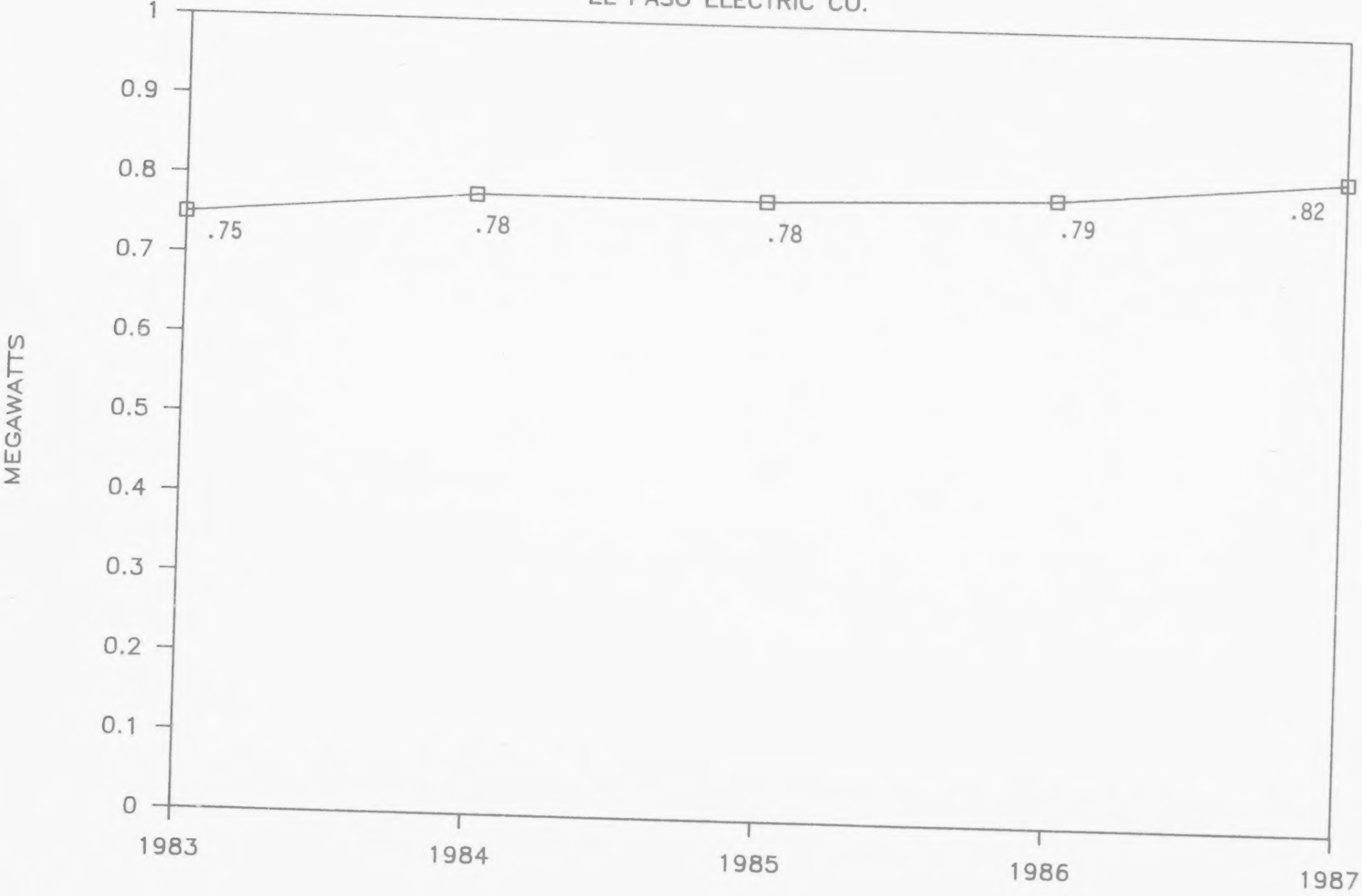


MWH SALES

EL PASO ELECTRIC CO.

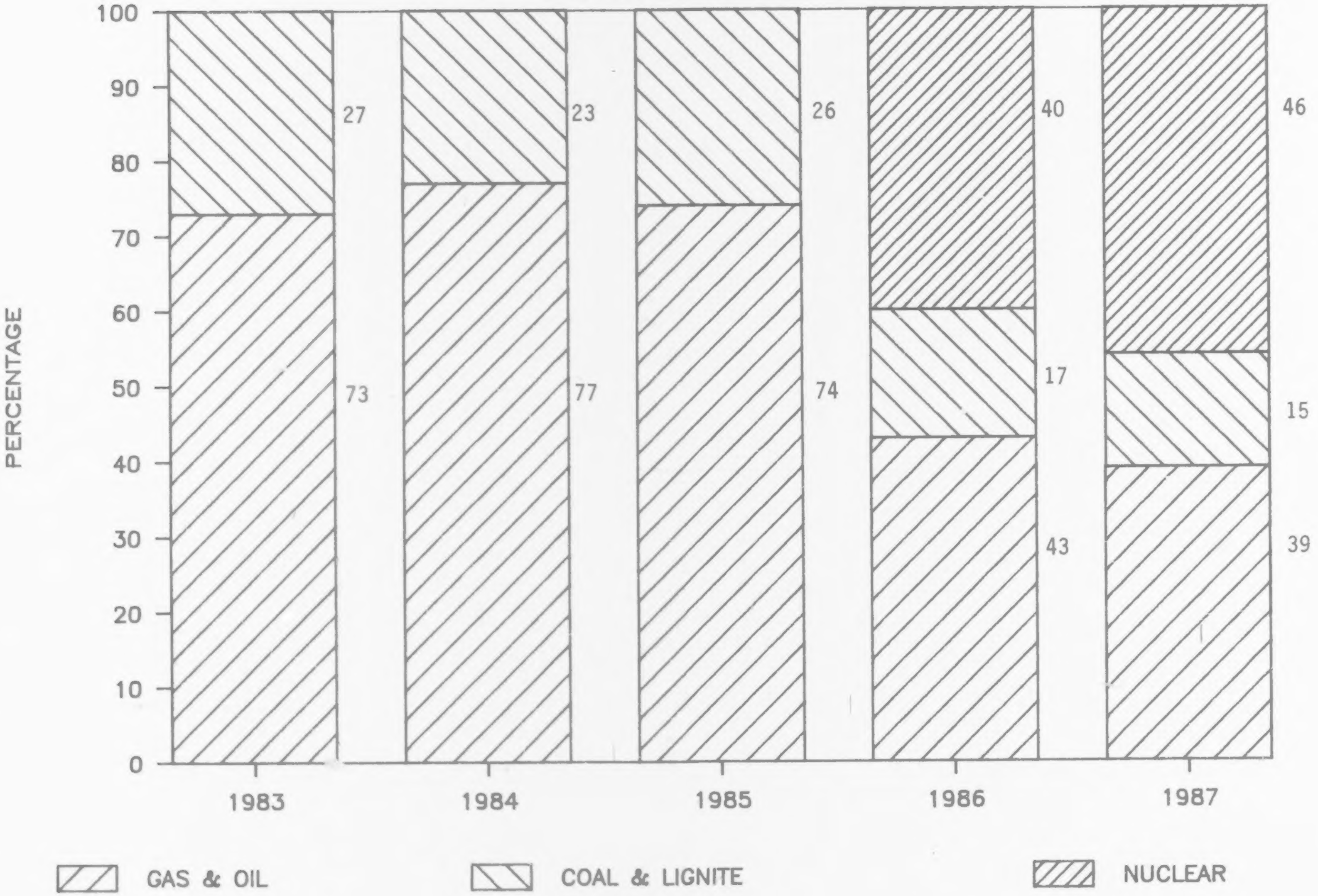
# PEAK DEMAND

EL PASO ELECTRIC CO.



# FUEL MIX

## EL PASO ELECTRIC CO.



# TEXAS PUC - COMPANY ANALYSIS REPORT
## EL PASO ELECTRIC CO (EPE)
## FOR THE FIVE YEARS ENDED 1987

| OPERATING DATA | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 5,080 | 4,491 | 4,278 | 4,036 | 3,752 | 13.1 | 5.0 | 6.0 | 7.6 | 2.8 | 6.8 | 1.9 |
| MW PEAK DEMAND | 820 | 790 | 778 | 776 | 746 | 3.8 | 1.5 | 0.3 | 4.0 | 0.3 | 2.0 | 3.0 |
| RESERVE MARGIN | 58.2 | 39.6 | 27.1 | 27.4 | 32.7 | | | | | | | |
| RES CENTS PER KWH | 8.8 | 9.3 | 10.0 | 10.1 | 9.7 | -5.3 | -7.5 | -0.9 | 4.0 | 10.4 | 0.0 | -0.1 |
| RES KWH PER CUST PER MO | 489 | 477 | 478 | 481 | 486 | 2.5 | -0.2 | -0.6 | -1.1 | 0.5 | 0.2 | 0.5 |
| CONSTR EXP(000 $) | 146,639 | 128,372 | 165,240 | 129,442 | 166,790 | 14.2 | -22.3 | 27.7 | -22.4 | 11.4 | -0.4 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 39.0 | 43.0 | 74.0 | 77.0 | 73.0 | | | | | | | |
| COAL/LIGNITE | 15.0 | 17.0 | 26.0 | 23.0 | 27.0 | | | | | | | |
| NUCLEAR | 46.0 | 40.0 | 0.0 | 0.0 | 0.0 | | | | | | | |
| **FINANCIAL DATA** | | | | | | | | | | | | |
| EARNINGS PER SHARE($) | 0.95 | 2.32 | 2.88 | 2.88 | 2.48 | -59.1 | -19.4 | 0.0 | 16.1 | 7.8 | -16.2 | 4.6 |
| DIVIDENDS PER SHARE($) | 1.52 | 1.52 | 1.49 | 1.43 | 1.37 | 0.0 | 2.0 | 4.2 | 4.4 | 4.6 | 3.0 | 3.6 |
| STOCK PRICE($) | 14.13 | 18.75 | 15.50 | 13.00 | 13.38 | -24.6 | 21.0 | 19.2 | -2.8 | 9.2 | 2.9 | 6.7 |
| BOOK VALUE PER SHARE($) | 16.44 | 16.99 | 16.19 | 14.82 | 13.47 | -3.2 | 4.9 | 9.2 | 10.0 | 9.3 | 5.9 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 5.5 | 14.0 | 18.5 | 20.3 | 19.1 | 15.5 | 15.5 |
| AFC TO EARN | 169.4 | 107.9 | 100.7 | 104.6 | 94.1 | 115.3 | 59.7 |
| YIELD | 9.2 | 8.9 | 10.5 | 10.8 | 10.7 | 10.0 | 8.8 |
| PAYOUT RATIO | 160.0 | 65.5 | 51.7 | 49.7 | 55.2 | 76.4 | 60.5 |
| MARKET TO BOOK | 85.9 | 110.4 | 95.7 | 87.7 | 99.3 | 95.8 | 107.1 |
| PE RATIO(X) | 17.3 | 7.4 | 4.9 | 4.6 | 5.2 | 7.9 | 7.0 |
| INTERNAL GEN | -45.4 | -53.1 | 0.5 | -6.4 | -0.2 | -20.9 | 29.1 |
| INT COV INCL AFC(X) | 1.6 | 2.5 | 3.0 | 3.0 | 3.2 | 2.6 | 3.2 |
| INT COV EXCL AFC(X) | 1.0 | 1.5 | 1.7 | 1.7 | 1.9 | 1.5 | 2.4 |
| CASH FLOW COV OF DIV | -0.2 | -0.3 | 1.0 | 0.8 | 1.0 | 0.5 | 1.8 |
| LONG TERM DEBT RATIO | 52.7 | 53.0 | 54.1 | 50.4 | 48.0 | 51.6 | 46.1 |
| COMMON EQUITY RATIO | 38.9 | 38.4 | 36.2 | 37.8 | 41.8 | 38.6 | 44.4 |
| PREFERRED STOCK RATIO | 8.5 | 8.6 | 9.6 | 11.8 | 10.2 | 9.7 | 9.5 |
| EFFECTIVE TAX RATE | -3.5 | 24.8 | 27.0 | 28.5 | 30.0 | 21.4 | 30.2 |
| BOND RATING | A3/BBB- | A3/BBB | A3/BBB+ | A3/BBB+ | A2/A | | |
| PCT TPUC JURIS SALES | 64.7 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
EL PASO ELECTRIC CO (EPE)
FOR THE FIVE YEARS ENDED 1987

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 450,116 | 318,109 | 339,591 | 329,015 | 302,443 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 41.5 | -6.3 | 3.2 | 8.8 | 11.6 | 10.7 | 1.5 | | | | | | | |
| FUEL & PP | 97,496 | 100,353 | 131,367 | 128,535 | 115,562 | | | 21.7 | 31.5 | 38.7 | 39.1 | 38.2 | 33.8 | 49.1 |
| | -2.8 | -23.6 | 2.2 | 11.2 | -8.8 | -5.1 | -2.8 | | | | | | | |
| O & M | 199,705 | 61,673 | 53,726 | 50,025 | 54,202 | | | 44.4 | 19.4 | 15.8 | 15.2 | 17.9 | 22.5 | 17.3 |
| | 223.8 | 14.8 | 7.4 | -7.7 | 23.1 | 35.3 | 8.7 | | | | | | | |
| DEPR | 21,162 | 19,186 | 14,755 | 12,445 | 11,740 | | | 4.7 | 6.0 | 4.3 | 3.8 | 3.9 | 4.5 | 5.9 |
| | 10.3 | 30.0 | 18.6 | 6.0 | 7.6 | 14.2 | 10.0 | | | | | | | |
| CURR FIT | 21,715 | 57,379 | 1,503 | 10,818 | 11,251 | | | 4.8 | 18.0 | 0.4 | 3.3 | 3.7 | 6.1 | 2.2 |
| DEF TAX | -16,311 | -100,304 | 38,449 | 28,279 | 12,313 | | | -3.6 | -31.5 | 11.3 | 8.6 | 4.1 | -2.2 | 2.8 |
| ITC | 4,693 | 72,692 | -716 | 2,606 | 14,445 | | | 1.0 | 22.9 | -0.2 | 0.8 | 4.8 | 5.9 | 1.3 |
| FIT | 10,097 | 29,767 | 39,236 | 41,703 | 38,009 | | | 2.2 | 9.4 | 11.6 | 12.7 | 12.6 | 9.7 | 6.3 |
| | -66.1 | -24.1 | -5.9 | 9.7 | 58.8 | -15.9 | -0.6 | | | | | | | |
| OTH TAX | 22,136 | 19,755 | 17,211 | 17,364 | 16,724 | | | 4.9 | 6.2 | 5.1 | 5.3 | 5.5 | 5.4 | 5.0 |
| | 12.1 | 14.8 | -0.9 | 3.8 | 12.4 | 8.3 | 8.1 | | | | | | | |
| OPER INC | 99,520 | 87,375 | 83,296 | 78,943 | 66,206 | | | 22.1 | 27.5 | 24.5 | 24.0 | 21.9 | 24.0 | 16.3 |
| | 13.9 | 4.9 | 5.5 | 19.2 | 30.8 | 14.5 | 2.9 | | | | | | | |
| AFC | 54,399 | 87,854 | 99,040 | 99,364 | 74,095 | | | 12.1 | 27.6 | 29.2 | 30.2 | 24.5 | 24.7 | 8.1 |
| | -38.1 | -11.3 | -0.3 | 34.1 | 7.8 | -4.6 | 24.4 | | | | | | | |
| OTH INC | -13,639 | 3,093 | 8,204 | 5,585 | 4,354 | | | -3.0 | 1.0 | 2.4 | 1.7 | 1.4 | 0.7 | 0.1 |
| INTEREST | 95,272 | 82,708 | 77,469 | 75,606 | 57,394 | | | 21.2 | 26.0 | 22.8 | 23.0 | 19.0 | 22.4 | 9.7 |
| | 15.2 | 6.8 | 2.5 | 31.7 | 9.8 | 12.7 | 9.8 | | | | | | | |
| NET INCOME | 45,008 | 95,614 | 113,071 | 108,286 | 87,261 | | | 10.0 | 30.1 | 33.3 | 32.9 | 28.9 | 27.0 | 14.9 |
| | -52.9 | -15.4 | 4.4 | 24.1 | 23.1 | -8.7 | 11.4 | | | | | | | |
| PREF DIV | 12,892 | 14,185 | 14,754 | 13,315 | 8,501 | | | 2.9 | 4.5 | 4.3 | 4.0 | 2.8 | 3.7 | 1.7 |
| | -9.1 | -3.9 | 10.8 | 56.6 | 20.2 | 12.8 | 10.4 | | | | | | | |
| INC TO COM | 32,116 | 81,429 | 98,317 | 94,971 | 78,760 | | | 7.1 | 25.6 | 29.0 | 28.9 | 26.0 | 23.3 | 13.2 |
| | -60.6 | -17.2 | 3.5 | 20.6 | 23.4 | -12.8 | 11.6 | | | | | | | |
| COMMON DIV | 53,795 | 53,327 | 50,867 | 47,183 | 43,516 | | | 12.0 | 16.8 | 15.0 | 14.3 | 14.4 | 14.5 | 8.4 |
| | 0.9 | 4.8 | 7.8 | 8.4 | 18.0 | 7.8 | 9.0 | | | | | | | |
| INC TO RE | -21,679 | 28,102 | 47,450 | 47,788 | 35,244 | | | -4.8 | 8.8 | 14.0 | 14.5 | 11.7 | 8.8 | 4.9 |

# TEXAS PUC - COMPANY ANALYSIS REPORT
EL PASO ELECTRIC CO (EPE)
FOR THE FIVE YEARS ENDED 1987

## BALANCE SHEET ANALYSIS

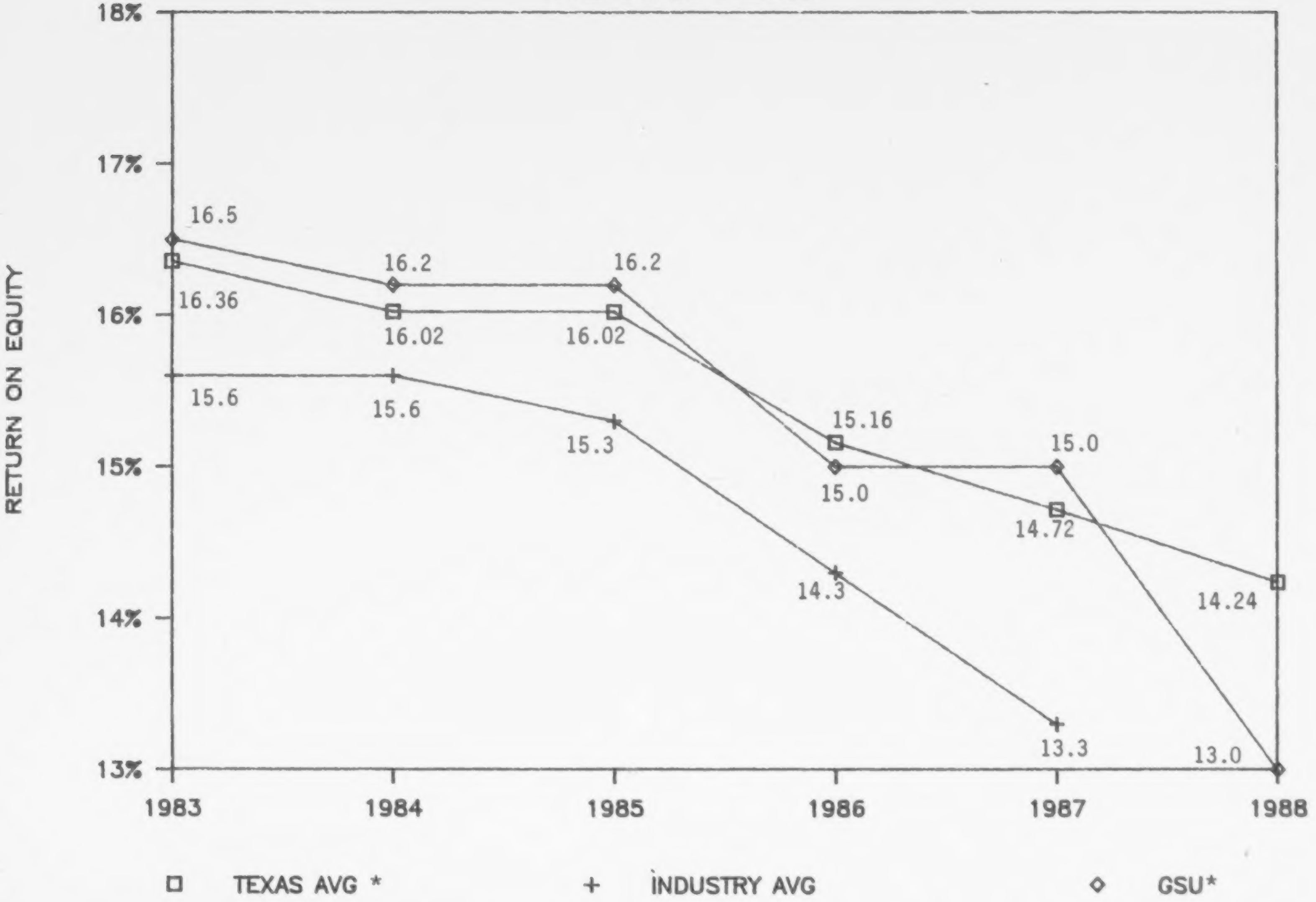
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 1,089,804 | 1,098,372 | 1,090,050 | 458,813 | 367,847 | | | 47.9 | 50.1 | 56.8 | 27.1 | 26.4 | 41.7 | 73.9 |
| CWIP & OTH | 228,314 | 439,215 | 733,321 | 1,089,959 | 977,468 | | | 10.0 | 20.0 | 38.2 | 64.5 | 70.2 | 40.6 | 35.5 |
| TOTAL PLANT | 1,318,118 | 1,537,587 | 1,823,371 | 1,548,772 | 1,345,315 | | | 57.9 | 70.1 | 95.0 | 91.6 | 96.6 | 82.2 | 109.4 |
| ACCUM DEPR | 171,708 | 149,728 | 129,667 | 127,181 | 114,887 | | | 7.5 | 6.8 | 6.8 | 7.5 | 8.2 | 7.4 | 19.0 |
| NET PLANT | 1,146,410 | 1,387,859 | 1,693,704 | 1,421,591 | 1,230,428 | | | 50.4 | 63.2 | 88.3 | 84.1 | 88.3 | 74.9 | 90.4 |
| | -17.4 | -18.1 | 19.1 | 15.5 | 22.2 | 2.6 | 10.4 | | | | | | | |
| CASH & INV | 315,663 | 513,674 | 30,229 | 106,214 | 42,903 | | | 13.9 | 23.4 | 1.6 | 6.3 | 3.1 | 9.6 | 1.8 |
| ACCTS REC | 76,562 | 32,505 | 36,840 | 32,668 | 31,737 | | | 3.4 | 1.5 | 1.9 | 1.9 | 2.3 | 2 2 | 2.5 |
| INVENTORY | 50,888 | 14,160 | 14,485 | 14,574 | 14,156 | | | 2.2 | 0.6 | 0.8 | 0.9 | 1.0 | 1.1 | 1.6 |
| OTH CURRENT | 34,595 | 20,038 | 11,521 | 11,712 | 9,635 | | | 1.5 | 0.9 | 0.6 | 0.7 | 0.7 | 0.9 | 0.5 |
| TOTAL CURR | 477,708 | 580,377 | 93,075 | 165,168 | 98,431 | | | 21.0 | 26.4 | 4.9 | 9.8 | 7.1 | 13.8 | 6.4 |
| | -17.7 | 523.6 | -43.6 | 67.8 | 66.4 | 51.9 | 10.2 | | | | | | | |
| OTH ASSETS | 651,455 | 226,182 | 132,281 | 103,350 | 64,424 | | | 28.6 | 10.3 | 6.9 | 6.1 | 4.6 | 11.3 | 3.2 |
| TOTAL ASSETS | 2,275,573 | 2,194,418 | 1,919,060 | 1,690,109 | 1,393,283 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 3.7 | 14.3 | 13.5 | 21.3 | 23.0 | 15.0 | 11.3 | | | | | | | |
| COMMON EQ | 573,619 | 603,291 | 562,550 | 499,467 | 437,894 | | | 25.2 | 27.5 | 29.3 | 29.6 | 31.4 | 28.6 | 34.5 |
| | -4.9 | 7.2 | 12.6 | 14.1 | 13.6 | 8.3 | 11.5 | | | | | | | |
| PREF STOCK | 124,808 | 134,583 | 149,523 | 156,273 | 107,273 | | | 5.5 | 6.1 | 7.8 | 9.2 | 7.7 | 7.3 | 7.3 |
| | -7.3 | -10.0 | -4.3 | 45.7 | 29.8 | 8.6 | 10.1 | | | | | | | |
| LT DEBT | 777,718 | 831,921 | 840,578 | 666,177 | 503,163 | | | 34.2 | 37.9 | 43.8 | 39.4 | 36.1 | 38.3 | 35.9 |
| | -6.5 | -1.0 | 26.2 | 32.4 | 25.7 | 14.2 | 10.5 | | | | | | | |
| TOTAL CAP | 1,476,145 | 1,569,795 | 1,552,651 | 1,321,917 | 1,048,330 | | | 64.9 | 71.5 | 80.9 | 78.2 | 75.2 | 74.2 | 77.7 |
| | -6.0 | 1.1 | 17.5 | 26.1 | 20.7 | 11.2 | 10.9 | | | | | | | |
| ST DEBT | 289,958 | 151,368 | 69,433 | 116,277 | 153,864 | | | 12.7 | 6.9 | 3.6 | 6.9 | 11.0 | 8.2 | 1.7 |
| OTH CURRENT | 127,403 | 115,893 | 68,470 | 61,261 | 44,761 | | | 5.6 | 5.3 | 3.6 | 3.6 | 3.2 | 4.3 | 6.5 |
| TOTAL CURR | 417,361 | 267,261 | 137,903 | 177,538 | 198,625 | | | 18.3 | 12.2 | 7.2 | 10.5 | 14.3 | 12.5 | 8.3 |
| | 56.2 | 93.8 | -22.3 | -10.6 | 31.4 | 22.5 | 9.4 | | | | | | | |
| ACC DEF TAX | 40,180 | 72,755 | 174,068 | 131,418 | 84,268 | | | 1.8 | 3.3 | 9.1 | 7.8 | 6.0 | 5.6 | 8.0 |
| | -44.8 | -58.2 | 32.5 | 56.0 | 28.0 | -9.4 | 15.6 | | | | | | | |
| ACC ITC | 131,540 | 122,185 | 50,771 | 55,318 | 57,985 | | | 5.8 | 5.6 | 2.6 | 3.3 | 4.2 | 4.3 | 5.3 |
| | 7.7 | 140.7 | -8.2 | -4.6 | 33.2 | 24.7 | 9.9 | | | | | | | |
| OTH LIAB | 210,347 | 162,422 | 3,667 | 3,918 | 4,075 | | | 9.2 | 7.4 | 0.2 | 0.2 | 0.3 | 3.5 | 0.7 |
| LIAB AND EQ | 2,275,573 | 2,194,418 | 1,919,060 | 1,690,109 | 1,393,283 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section IV - Gulf States Utilities Company

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
7. Ratio of AFUDC to Income to Common 1983-1987
8. CWIP as a Percentage of Net Plant 1983-1987
9. Total Megawatt Hour Sales 1983-1987
10. Megawatt Peak Demand 1983-1987
11. Fuel Mix 1983-1987
12. Operating Data 1983-1987
13. Income Statement Analysis 1983-1987
14. Balance Sheet Analysis 1983-1987

# ALLOWED RETURN ON EQUITY

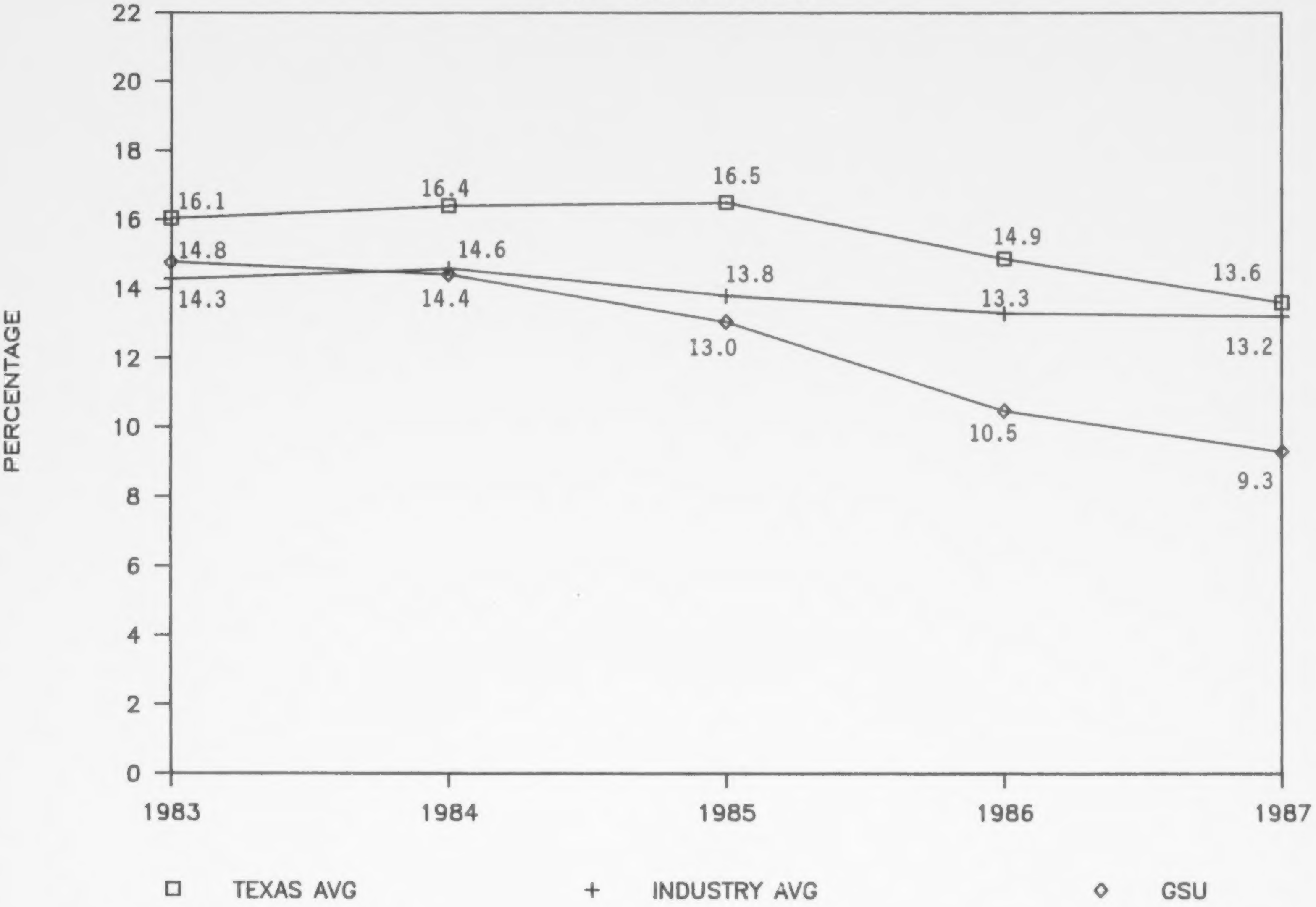
## GULF STATES UTILITIES



*Includes updates through August 1988.

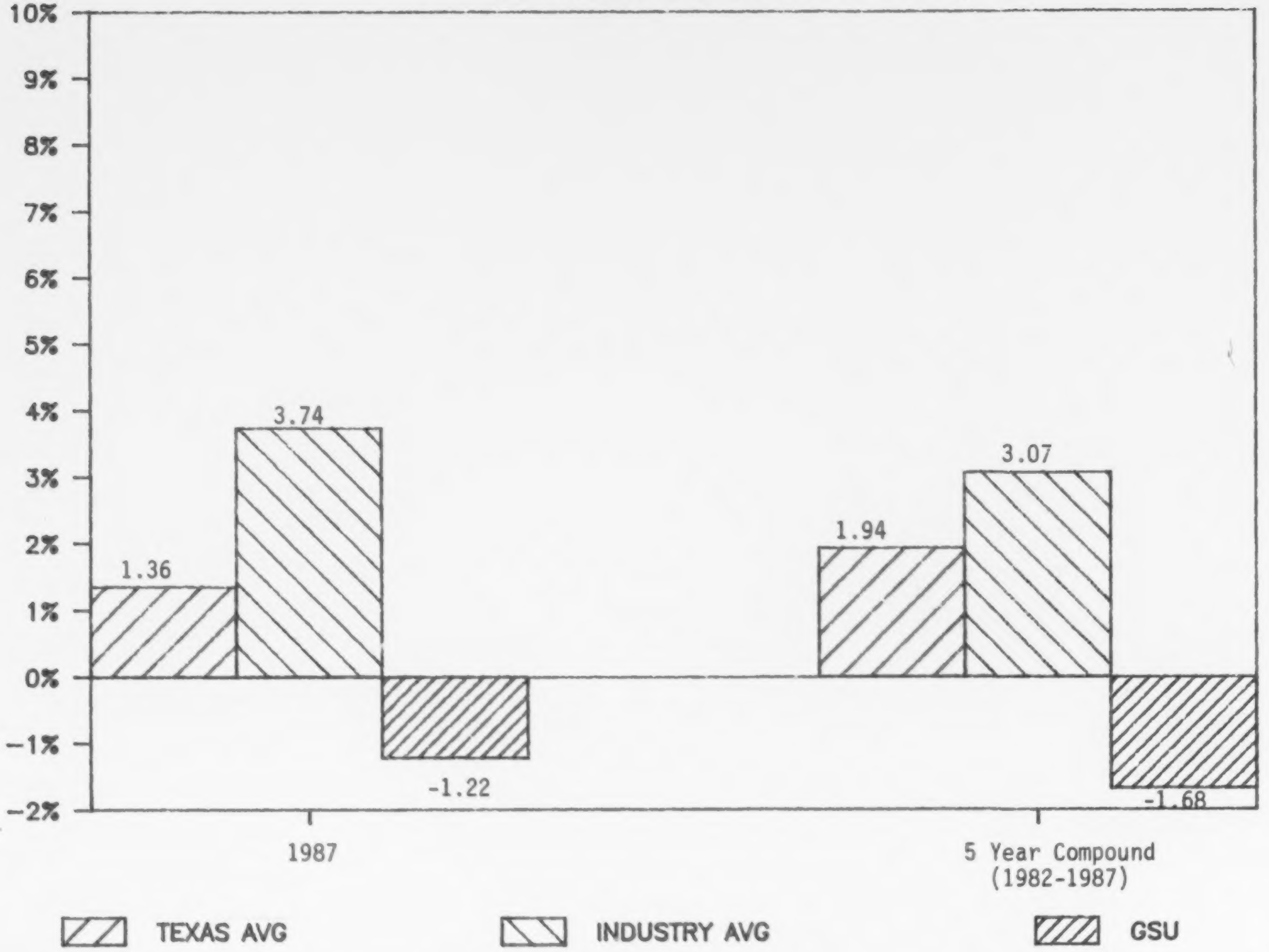
# EARNED RETURN ON EQUITY

## GULF STATES UTILITIES



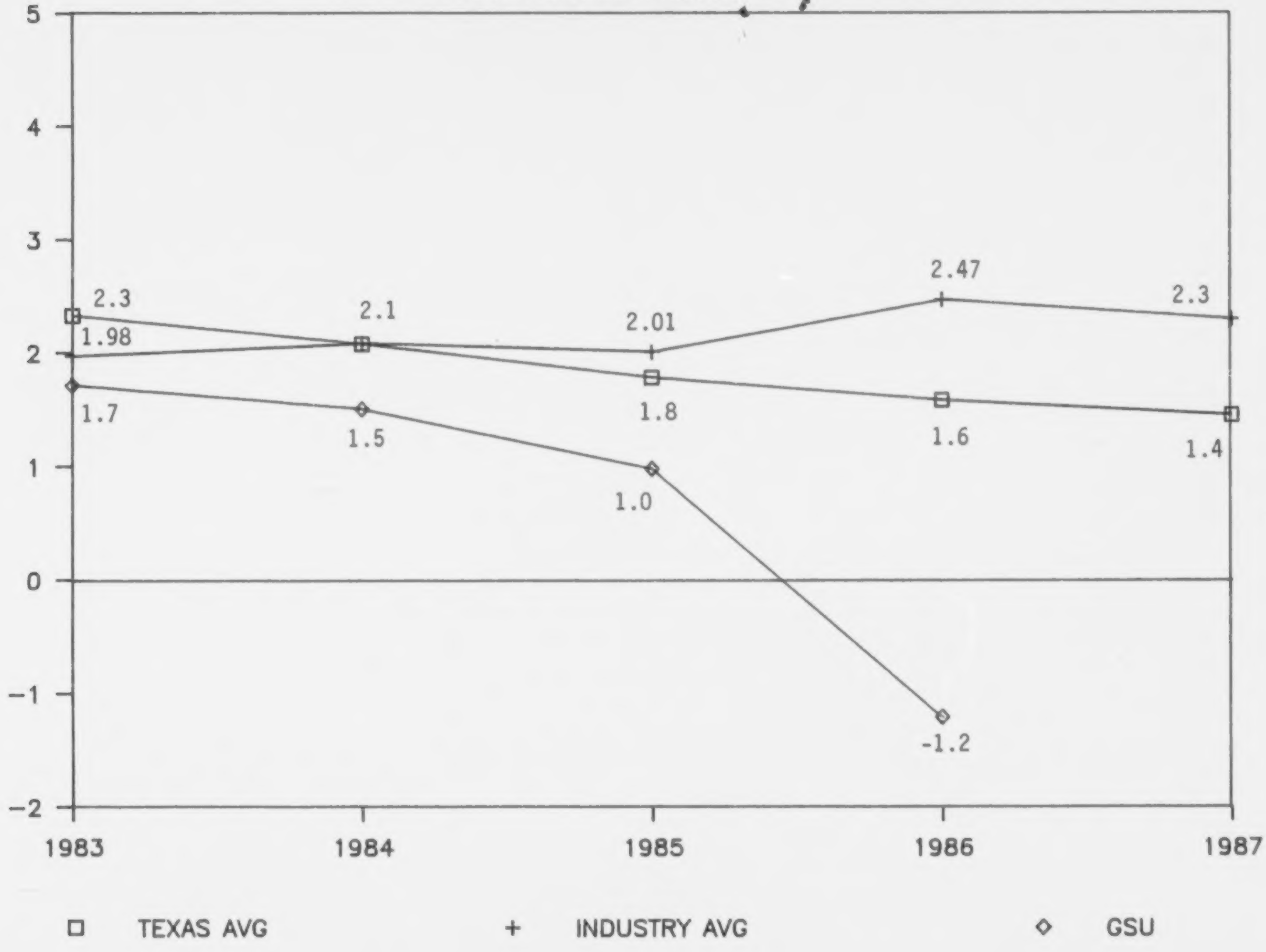
# MWH SALES GROWTH

## GULF STATES UTILITIES



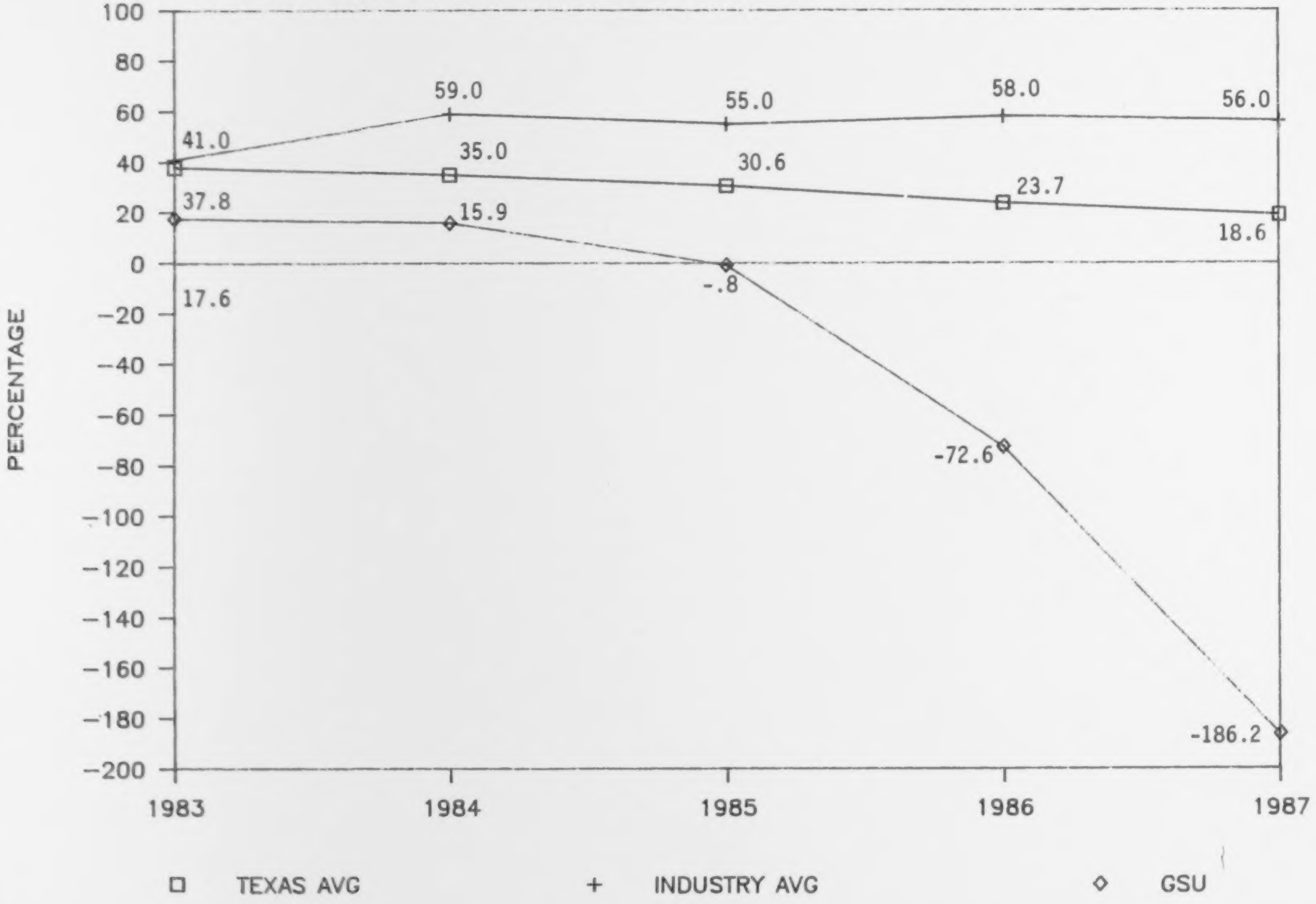
# CASH FLOW COVERAGE OF DIVIDENDS

## GULF STATES UTILITIES



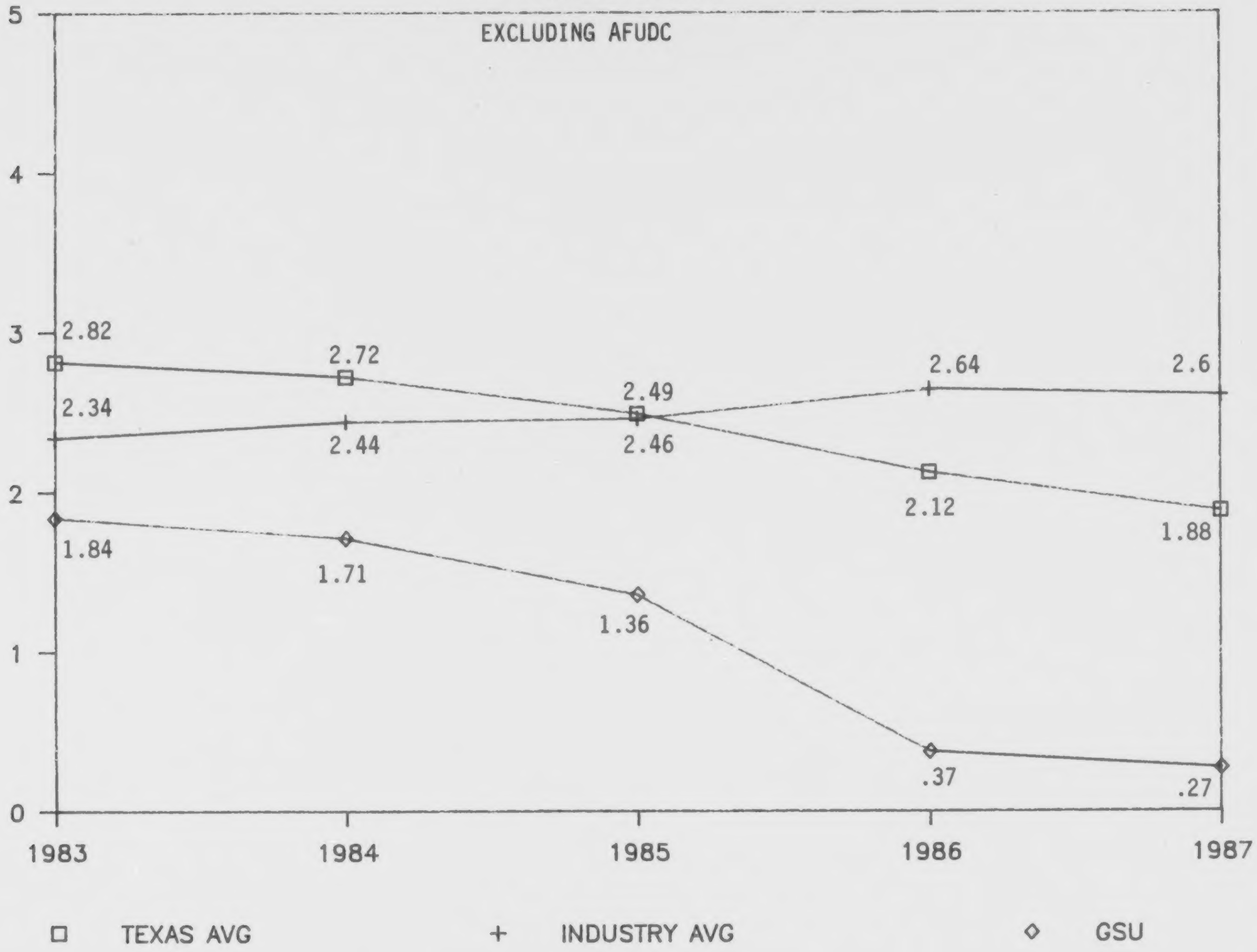
# FUNDS GENERATED INTERNALLY (%)

## GULF STATES UTILITIES



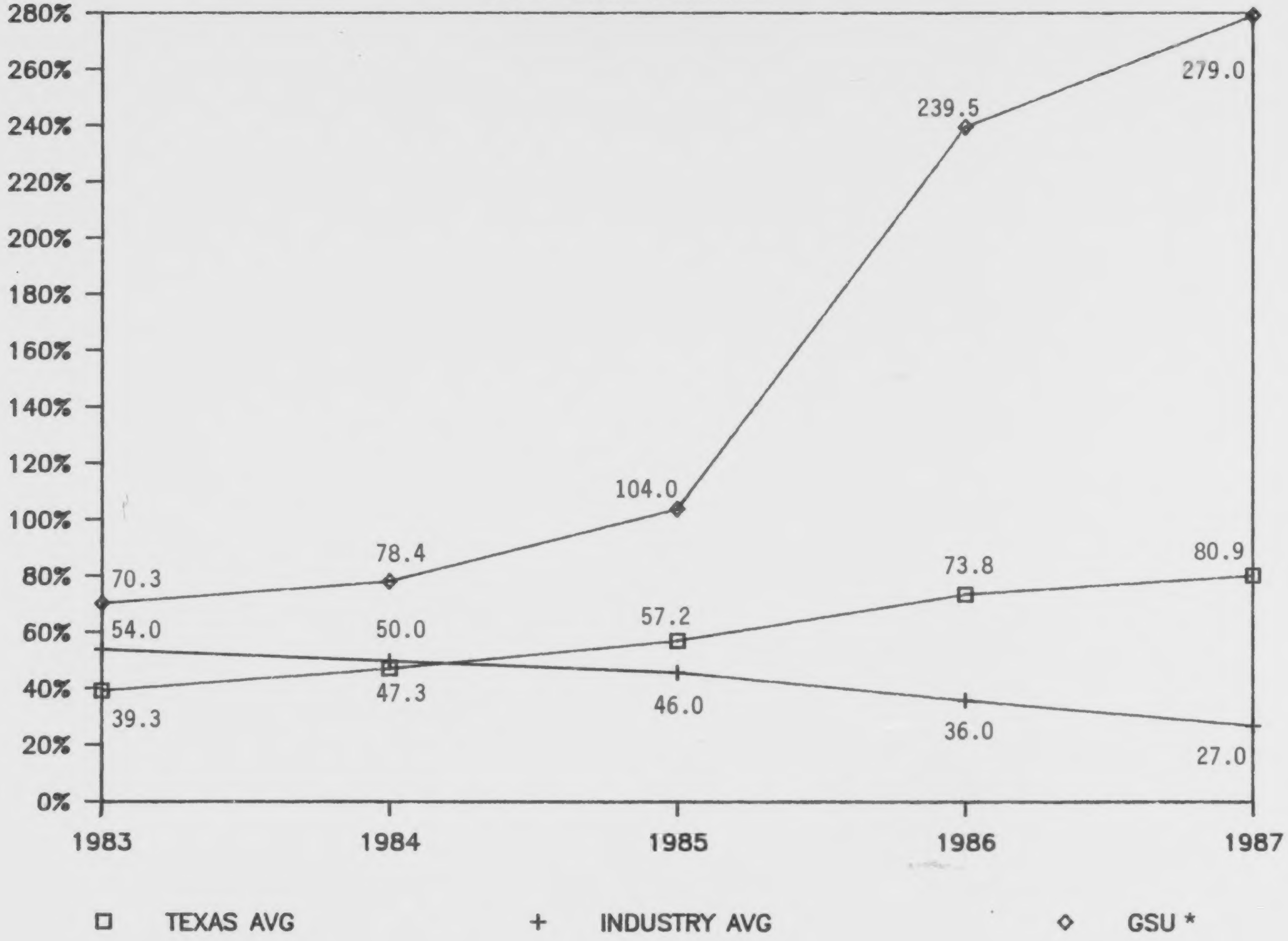
# PRE-TAX INTEREST COVERAGE

GULF STATES UTILITIES



# RATIO OF AFUDC TO INCOME TO COMMON

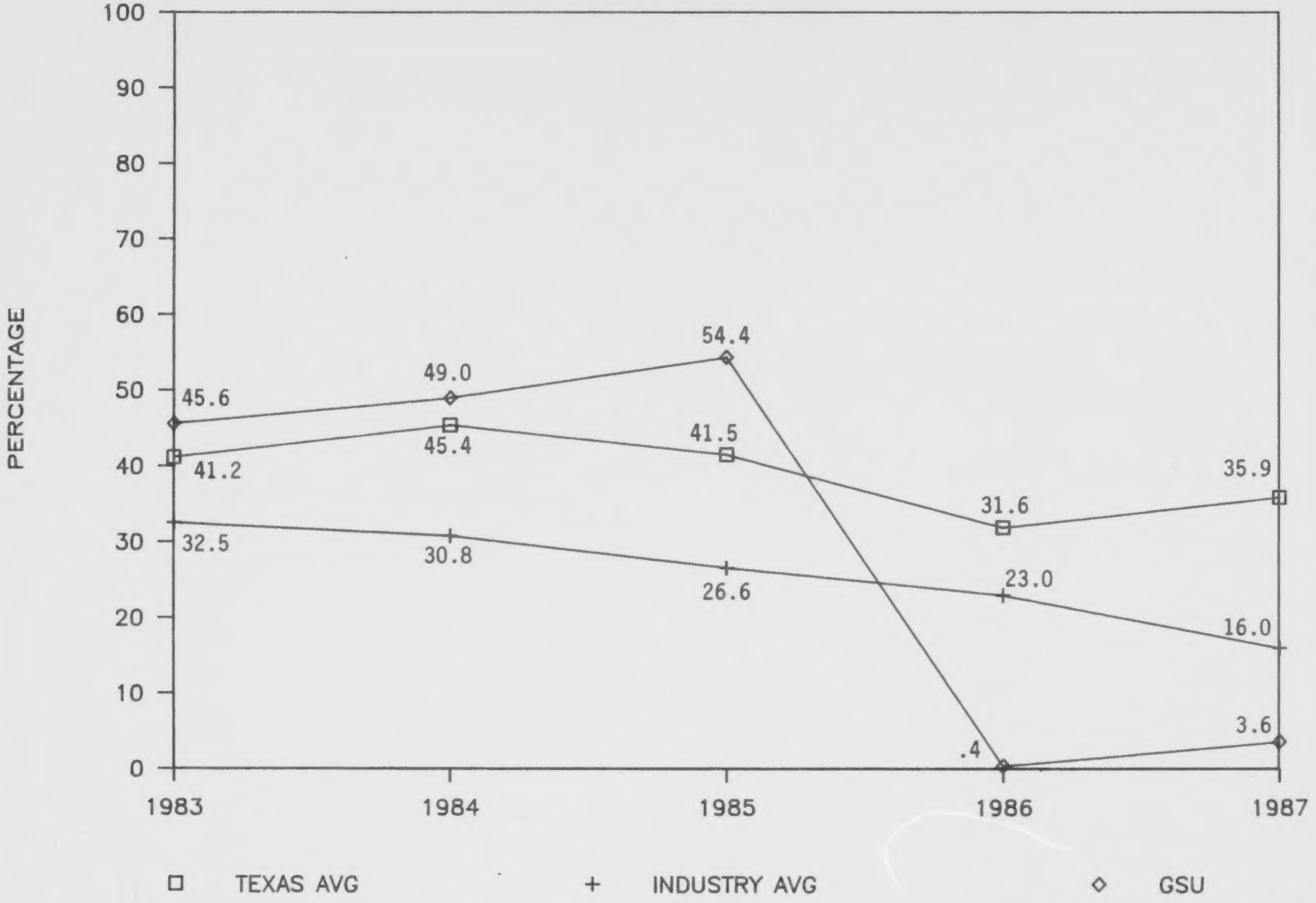
## GULF STATES UTILITIES



* Includes Deferrals

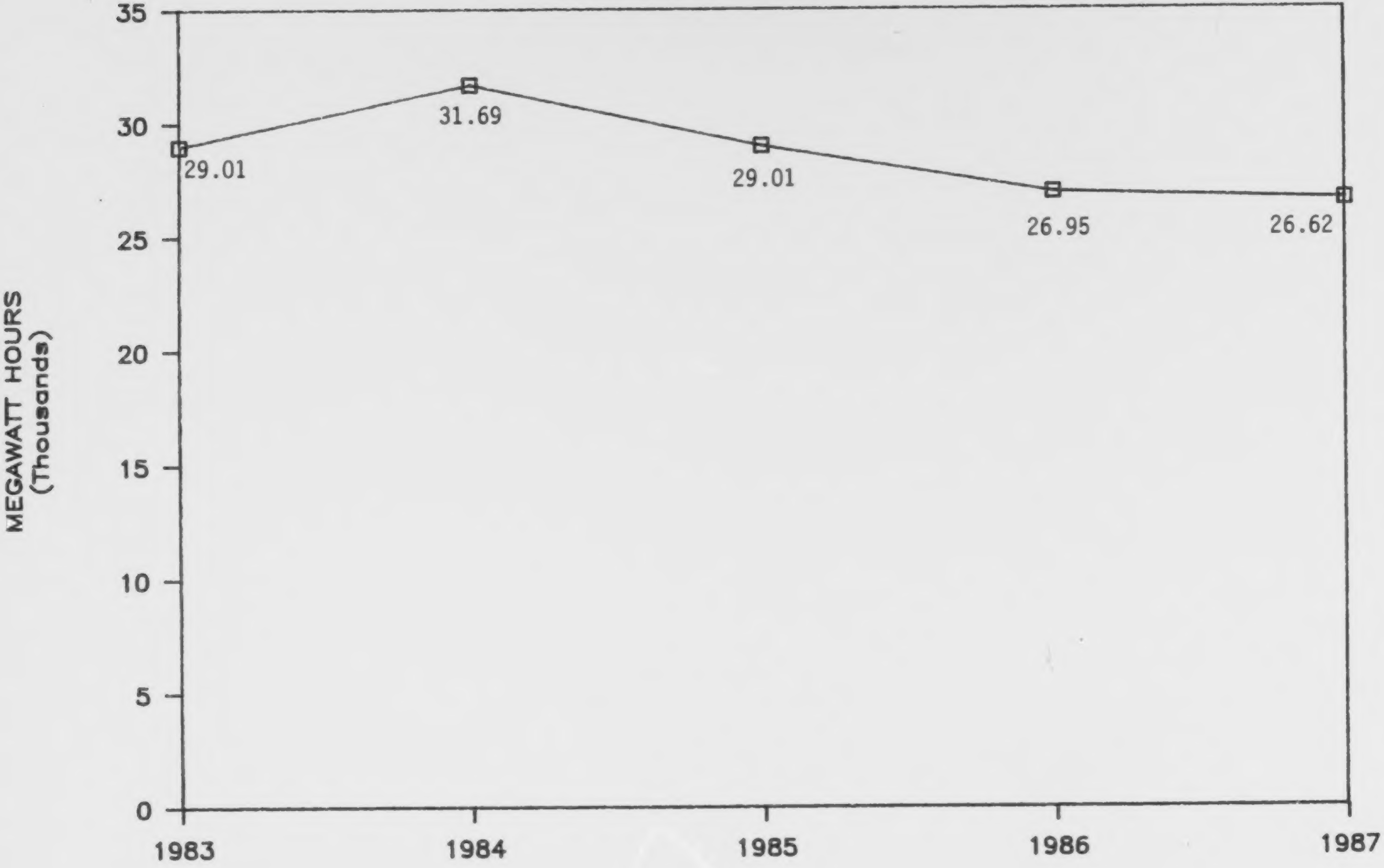
# CWIP AS A % OF NET PLANT

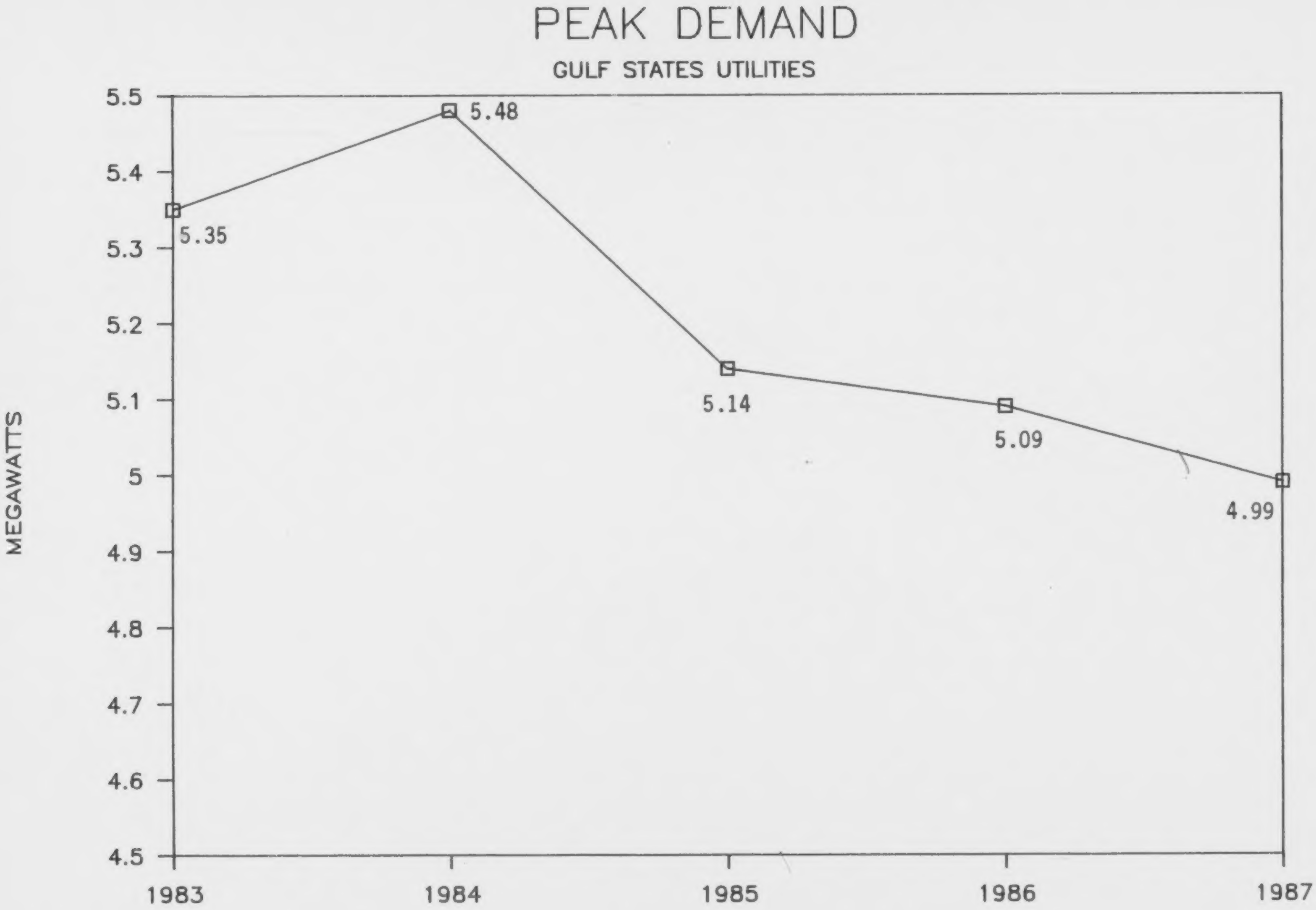
## GULF STATES UTILITIES



# MWH SALES

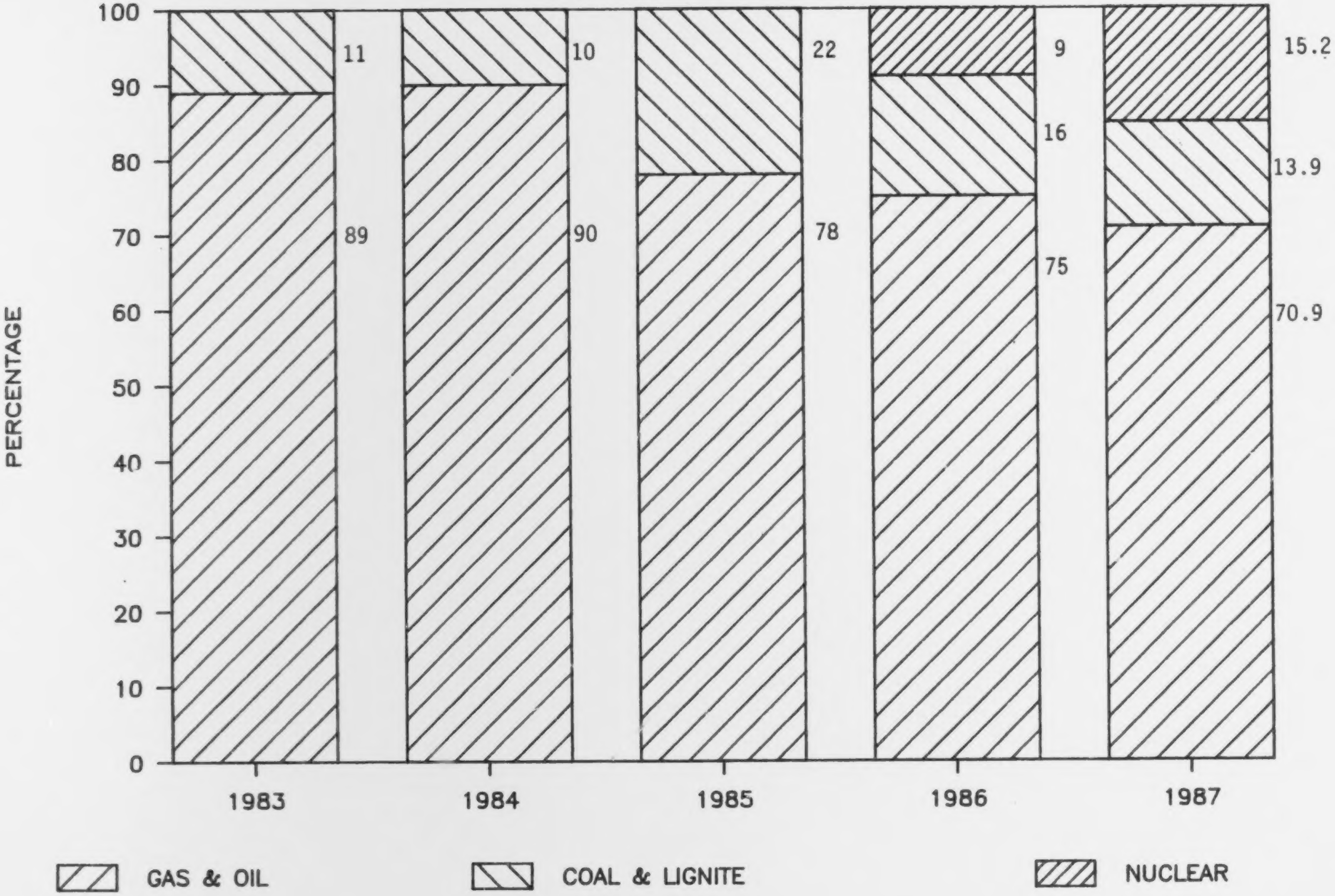
## GULF STATES UTILITIES




PEAK DEMAND
GULF STATES UTILITIES
MEGAWATTS
5.5
5.4
5.3
5.2
5.1
5
4.9
4.8
4.7
4.6
4.5
5.35
5.48
5.14
5.09
4.99
1983
1984
1985
1986
1987

# FUEL MIX

## GULF STATES UTILITIES



# TEXAS PUC - COMPANY ANALYSIS REPORT
## GULF STATES UTILITIES CO (GSU)
## FOR THE FIVE YEARS ENDED 1987

### OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 26,621 | 26,949 | 29,005 | 31,694 | 29,005 | -1.2 | -7.1 | -8.5 | 9.3 | 0.1 | -1.7 | 1.9 |
| MW PEAK DEMAND | 4,991 | 5,089 | 5,139 | 5,475 | 5,348 | -1.9 | -1.0 | -6.1 | 2.4 | 3.6 | -0.7 | 3.0 |
| RESERVE MARGIN | 37.7 | 48.3 | 28.6 | 23.8 | 33.7 | | | | | | | |
| RES CENTS PER KWH | 6.9 | 6.9 | 8.5 | 7.0 | 7.0 | 0.7 | -18.9 | 21.2 | 0.6 | 15.2 | 2.8 | -0.1 |
| RES KWH PER CUST PER MO | 1,067 | 1,061 | 1,068 | 1,076 | 1,007 | 0.7 | -0.7 | -0.8 | 6.9 | -6.2 | -0.1 | 0.5 |
| CONSTR EXP(000 $) | 57,438 | 213,498 | 448,450 | 465,957 | 516,101 | -73.1 | -52.4 | -3.8 | -9.7 | -4.4 | -36.1 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 70.9 | 75.0 | 78.0 | 90.0 | 89.0 | | | | | | | |
| COAL/LIGNITE | 13.9 | 16.0 | 22.0 | 10.0 | 11.0 | | | | | | | |
| NUCLEAR | 15.2 | 9.0 | 0.0 | 0.0 | 0.0 | | | | | | | |

### FINANCIAL DATA

| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 1.65 | 1.71 | 2.10 | 2.30 | 2.31 | -3.5 | -18.6 | -8.7 | -0.4 | 18.5 | -3.3 | 4.6 |
| DIVIDENDS PER SHARE($) | 0.00 | 0.67 | 1.64 | 1.64 | 1.62 | -100.0 | -59.1 | 0.0 | 1.2 | 3.8 | -100.0 | 3.6 |
| STOCK PRICE($) | 4.75 | 7.38 | 13.00 | 13.00 | 12.75 | -35.6 | -43.2 | 0.0 | 2.0 | -4.7 | -18.7 | 6.7 |
| BOOK VALUE PER SHARE($) | 18.70 | 16.79 | 16.02 | 15.79 | 15.73 | 11.4 | 4.8 | 1.5 | 0.4 | 3.1 | 4.2 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 9.3 | 10.5 | 13.0 | 14.4 | 14.8 | 12.4 | 15.5 |
| AFC TO EARN | 279.0 | 239.5 | 104.0 | 78.4 | 70.3 | 154.2 | 59.7 |
| YIELD | 0.0 | 6.6 | 12.6 | 12.7 | 12.4 | 8.9 | 8.8 |
| PAYOUT RATIO | 0.0 | 39.2 | 78.1 | 71.3 | 70.1 | 51.7 | 60.5 |
| MARKET TO BOOK | 25.4 | 44.0 | 81.1 | 82.3 | 81.1 | 62.8 | 107.1 |
| PE RATIO(X) | 3.7 | 6.0 | 6.2 | 5.6 | 5.7 | 5.4 | 7.0 |
| INTERNAL GEN | -186.2 | -72.6 | -0.8 | 15.9 | 17.6 | -45.2 | 29.1 |
| INT COV INCL AFC(X) | 1.8 | 1.8 | 2.1 | 2.4 | 2.5 | 2.1 | 3.2 |
| INT COV EXCL AFC(X) | 0.3 | 0.4 | 1.4 | 1.7 | 1.8 | 1.1 | 2.4 |
| CASH FLOW COV OF DIV | 0.0 | -1.2 | 1.0 | 1.5 | 1.7 | 0.6 | 1.8 |
| LONG TERM DEBT RATIO | 51.1 | 54.2 | 53.2 | 51.6 | 51.1 | 52.2 | 46.1 |
| COMMON EQUITY RATIO | 37.8 | 35.0 | 35.4 | 36.6 | 36.6 | 36.3 | 44.4 |
| PREFERRED STOCK RATIO | 11.1 | 10.8 | 11.4 | 11.8 | 12.3 | 11.5 | 9.5 |
| EFFECTIVE TAX RATE | 11.8 | 4.8 | 17.3 | 22.5 | 24.5 | 16.2 | 30.2 |
| BOND RATING | Ba3/B+ | Ba3/B+ | Baa2/BBB | Baa3/BBB | Baa2/BBB | | |
| PCT TPUC JURIS SALES | 41.5 | | | | | | |

# TEXAS PUC - COMPANY ANALYSIS REPORT
GULF STATES UTILITIES CO (GSU)
FOR THE FIVE YEARS ENDED 1987

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 1,432,586 | 1,478,388 | 1,858,436 | 1,547,041 | 1,436,188 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -3.1 | -20.4 | 20.1 | 7.7 | 9.9 | 1.8 | 1.5 | | | | | | | |
| FUEL & PP | 728,871 | 796,288 | 1,018,736 | 686,031 | 639,479 | | | 50.9 | 53.9 | 54.8 | 44.3 | 44.5 | 49.7 | 49.1 |
| | -8.5 | -21.8 | 48.5 | 7.3 | 1.7 | 3.0 | -2.8 | | | | | | | |
| O & M | 349,585 | 315,716 | 265,803 | 265,544 | 252,122 | | | 24.4 | 21.4 | 14.3 | 17.2 | 17.6 | 19.0 | 17.3 |
| | 10.7 | 18.8 | 0.1 | 5.3 | 16.2 | 10.0 | 8.7 | | | | | | | |
| DEPR | 187,459 | 162,272 | 112,789 | 112,291 | 103,251 | | | 13.1 | 11.0 | 6.1 | 7.3 | 7.2 | 8.9 | 5.9 |
| | 15.5 | 43.9 | 0.4 | 8.8 | 15.6 | 16.0 | 10.0 | | | | | | | |
| CURR FIT | 0 | -1,120 | -8,229 | 8,522 | 9,276 | | | 0.0 | -0.1 | -0.4 | 0.6 | 0.6 | 0.1 | 2.2 |
| DEF TAX | 27,994 | 10,214 | 108,153 | 72,648 | 36,592 | | | 2.0 | 0.7 | 5.8 | 4.7 | 2.5 | 3.1 | 2.8 |
| ITC | -3,703 | -3,621 | -54,489 | -8,911 | 24,670 | | | -0.3 | -0.2 | -2.9 | -0.6 | 1.7 | -0.5 | 1.3 |
| FIT | 24,291 | 5,473 | 45,435 | 72,259 | 70,538 | | | 1.7 | 0.4 | 2.4 | 4.7 | 4.9 | 2.8 | 6.3 |
| | 343.8 | -88.0 | -37.1 | 2.4 | 33.5 | -14.4 | -0.6 | | | | | | | |
| OTH TAX | 83,248 | 73,521 | 71,808 | 67,232 | 57,505 | | | 5.8 | 5.0 | 3.9 | 4.3 | 4.0 | 4.6 | 5.0 |
| | 13.2 | 2.4 | 6.8 | 16.9 | 17.1 | 11.1 | 8.1 | | | | | | | |
| OPER INC | 59,132 | 125,118 | 343,865 | 343,684 | 313,293 | | | 4.1 | 8.5 | 18.5 | 22.2 | 21.8 | 15.0 | 16.3 |
| | -52.7 | -63.6 | 0.1 | 9.7 | 15.9 | -26.2 | 2.9 | | | | | | | |
| AFC | 496,811 | 435,466 | 213,612 | 158,867 | 126,985 | | | 34.7 | 29.5 | 11.5 | 10.3 | 8.8 | 18.9 | 8.1 |
| | 14.1 | 103.9 | 34.5 | 25.1 | 41.8 | 40.9 | 24.4 | | | | | | | |
| OTH INC | 2,447 | -19,916 | -18,277 | -2,741 | -3,400 | | | 0.2 | -1.3 | -1.0 | -0.2 | -0.2 | -0.5 | 0.1 |
| INTEREST | 317,289 | 295,687 | 273,701 | 241,639 | 207,079 | | | 22.1 | 20.0 | 14.7 | 15.6 | 14.4 | 17.4 | 9.7 |
| | 7.3 | 8.0 | 13.3 | 16.7 | 5.4 | 10.1 | 9.8 | | | | | | | |
| NET INCOME | 241,101 | 244,981 | 265,499 | 258,171 | 229,799 | | | 16.8 | 16.6 | 14.3 | 16.7 | 16.0 | 16.1 | 14.9 |
| | -1.6 | -7.7 | 2.8 | 12.3 | 38.5 | 7.8 | 11.4 | | | | | | | |
| PREF DIV | 63,010 | 63,127 | 60,137 | 55,660 | 49,052 | | | 4.4 | 4.3 | 3.2 | 3.6 | 3.4 | 3.8 | 1.7 |
| | -0.2 | 5.0 | 8.0 | 13.5 | 25.9 | 10.1 | 10.4 | | | | | | | |
| INC TO COM | 178,091 | 181,854 | 205,362 | 202,511 | 180,747 | | | 12.4 | 12.3 | 11.1 | 13.1 | 12.6 | 12.3 | 13.2 |
| | -2.1 | -11.4 | 1.4 | 12.0 | 42.3 | 7.0 | 11.6 | | | | | | | |
| COMMON DIV | 0 | 70,319 | 161,605 | 145,663 | 127,263 | | | 0.0 | 4.8 | 8.7 | 9.4 | 8.9 | 6.3 | 8.4 |
| | 0.0 | -56.5 | 10.9 | 14.5 | 25.7 | 0.0 | 9.0 | | | | | | | |
| INC TO RE | 178,091 | 111,535 | 43,757 | 56,848 | 53,484 | | | 12.4 | 7.5 | 2.4 | 3.7 | 3.7 | 5.9 | 4.9 |

TEXAS PUC - COMPANY ANALYSIS REPORT
GULF STATES UTILITIES CO (GSU)
FOR THE FIVE YEARS ENDED 1987

## BALANCE SHEET ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 6,434,702 | 6,370,545 | 3,364,687 | 3,267,055 | 3,106,834 | | | 96.4 | 104.1 | 60.6 | 66.9 | 71.4 | 79.9 | 73.9 |
| CWIP & OTH | 188,544 | 18,704 | 2,728,700 | 2,187,287 | 1,844,163 | | | 2.8 | 0.3 | 49.1 | 44.8 | 42.4 | 27.9 | 35.5 |
| TOTAL PLANT | 6,623,246 | 6,389,249 | 6,093,387 | 5,454,342 | 4,950,997 | | | 99.2 | 104.5 | 109.7 | 111.6 | 113.8 | 107.8 | 109.4 |
| ACCUM DEPR | 1,374,019 | 1,204,730 | 1,081,524 | 994,600 | 904,919 | | | 20.6 | 19.7 | 19.5 | 20.4 | 20.8 | 20.2 | 19.0 |
| NET PLANT | 5,249,227 | 5,184,519 | 5,011,863 | 4,459,742 | 4,046,078 | | | 78.6 | 84.8 | 90.2 | 91.3 | 93.0 | 87.6 | 90.4 |
| | 1.2 | 3.4 | 12.4 | 10.2 | 14.8 | 8.3 | 10.4 | | | | | | | |
| CASH & INV | 155,321 | 143,880 | 67,098 | 6,547 | 3,026 | | | 2.3 | 2.4 | 1.2 | 0.1 | 0.1 | 1.2 | 1.8 |
| ACCTS REC | 137,774 | 144,259 | 153,943 | 120,015 | 115,312 | | | 2.1 | 2.4 | 2.8 | 2.5 | 2.7 | 2.5 | 2.5 |
| INVENTORY | 35,549 | 38,948 | 49,796 | 65,440 | 55,554 | | | 0.5 | 0.6 | 0.9 | 1.3 | 1.3 | 0.9 | 1.6 |
| OTH CURRENT | 30,906 | 23,279 | 8,504 | 7,462 | 16,574 | | | 0.5 | 0.4 | 0.2 | 0.2 | 0.4 | 0.3 | 0.5 |
| TOTAL CURR | 359,550 | 350,366 | 279,341 | 199,464 | 190,466 | | | 5.4 | 5.7 | 5.0 | 4.1 | 4.4 | 4.9 | 6.4 |
| | 2.6 | 25.4 | 40.0 | 4.7 | 2.9 | 14.2 | 10.2 | | | | | | | |
| OTH ASSETS | 1,068,280 | 581,970 | 265,041 | 227,638 | 112,980 | | | 16.0 | 9.5 | 4.8 | 4.7 | 2.6 | 7.5 | 3.2 |
| TOTAL ASSETS | 6,677,057 | 6,116,855 | 5,556,245 | 4,886,844 | 4,349,524 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 9.2 | 10.1 | 13.7 | 12.4 | 14.3 | 11.9 | 11.3 | | | | | | | |
| COMMON EQ | 2,020,308 | 1,812,228 | 1,656,592 | 1,491,798 | 1,316,599 | | | 30.3 | 29.6 | 29.8 | 30.5 | 30.3 | 30.1 | 34.5 |
| | 11.5 | 9.4 | 11.0 | 13.3 | 16.6 | 12.3 | 11.5 | | | | | | | |
| PREF STOCK | 592,966 | 559,757 | 530,860 | 480,211 | 440,780 | | | 8.9 | 9.2 | 9.6 | 9.8 | 10.1 | 9.5 | 7.3 |
| | 5.9 | 5.4 | 10.5 | 8.9 | 7.0 | 7.6 | 10.1 | | | | | | | |
| LT DEBT | 2,734,455 | 2,805,337 | 2,487,696 | 2,103,881 | 1,835,959 | | | 41.0 | 45.9 | 44.8 | 43.1 | 42.2 | 43.4 | 35.9 |
| | -2.5 | 12.8 | 18.2 | 14.6 | 15.1 | 11.4 | 10.5 | | | | | | | |
| TOTAL CAP | 5,347,729 | 5,177,322 | 4,675,148 | 4,075,890 | 3,593,338 | | | 80.1 | 84.6 | 84.1 | 83.4 | 82.6 | 83.0 | 77.7 |
| | 3.3 | 10.7 | 14.7 | 13.4 | 14.6 | 11.3 | 10.9 | | | | | | | |
| ST DEBT | 125,482 | 42,569 | 19,045 | 52,000 | 91,217 | | | 1.9 | 0.7 | 0.3 | 1.1 | 2.1 | 1.2 | 1.7 |
| OTH CURRENT | 362,390 | 224,099 | 251,882 | 249,770 | 238,609 | | | 5.4 | 3.7 | 4.5 | 5.1 | 5.5 | 4.8 | 6.5 |
| TOTAL CURR | 487,872 | 266,668 | 270,927 | 301,770 | 329,826 | | | 7.3 | 4.4 | 4.9 | 6.2 | 7.6 | 6.1 | 8.3 |
| | 83.0 | -1.6 | -10.2 | -8.5 | 6.9 | 9.6 | 9.4 | | | | | | | |
| ACC DEF TAX | 506,093 | 459,778 | 438,727 | 319,805 | 239,296 | | | 7.6 | 7.5 | 7.9 | 6.5 | 5.5 | 7.0 | 8.0 |
| | 10.1 | 4.8 | 37.2 | 33.6 | 19.7 | 20.4 | 15.6 | | | | | | | |
| ACC ITC | 114,025 | 117,728 | 121,339 | 167,636 | 176,399 | | | 1.7 | 1.9 | 2.2 | 3.4 | 4.1 | 2.7 | 5.3 |
| | -3.1 | -3.0 | -27.6 | -5.0 | 16.3 | -5.5 | 9.9 | | | | | | | |
| OTH LIAB | 221,338 | 95,359 | 50,104 | 21,743 | 10,665 | | | 3.3 | 1.6 | 0.9 | 0.4 | 0.2 | 1.3 | 0.7 |
| LIAB AND EQ | 6,677,057 | 6,116,855 | 5,556,245 | 4,886,844 | 4,349,524 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

# Section V - Houston Lighting and Power Company

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
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8. CWIP as a Percentage of Net Plant 1983-1987
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11. Fuel Mix 1983-1987
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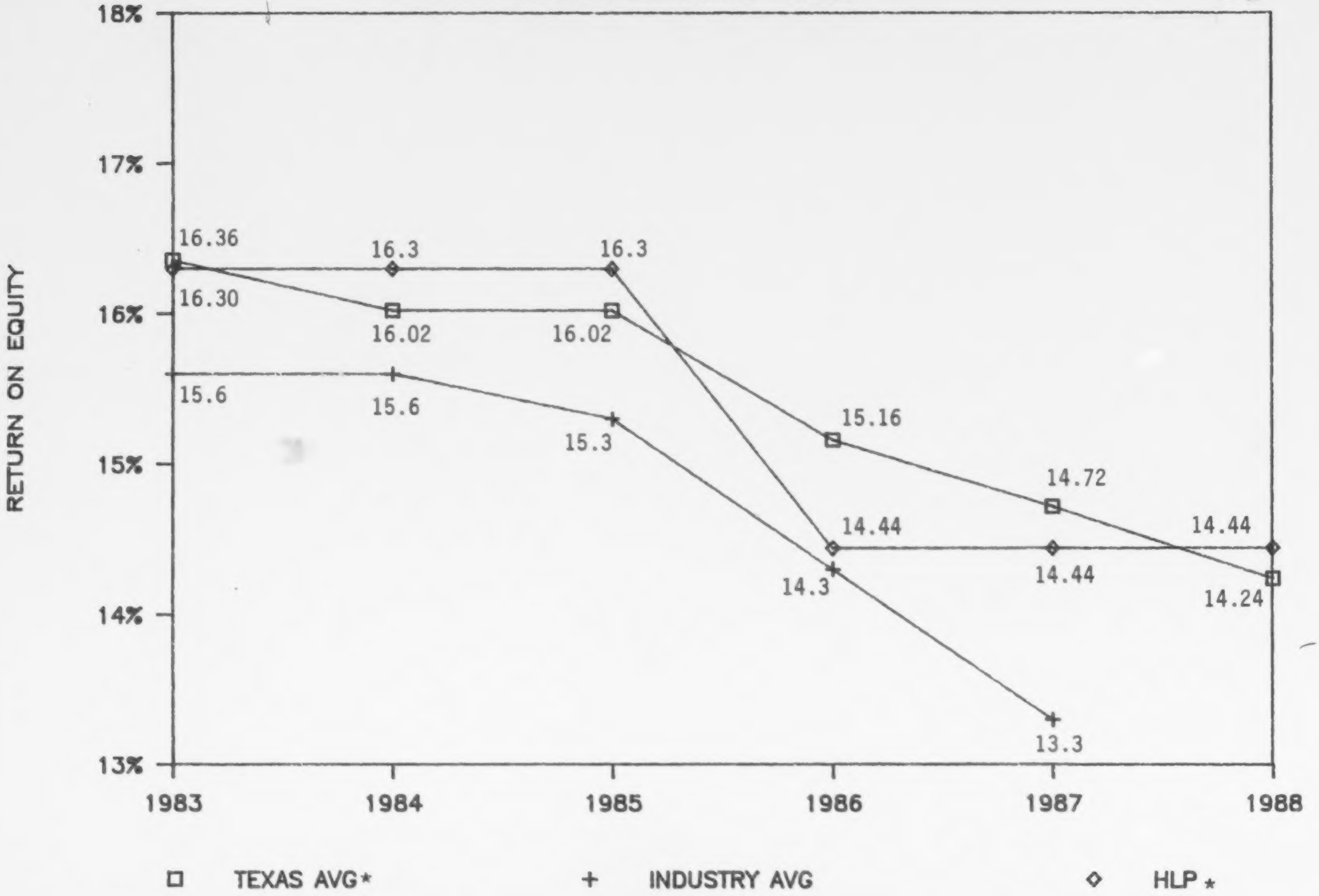
# ALLOWED RETURN ON EQUITY

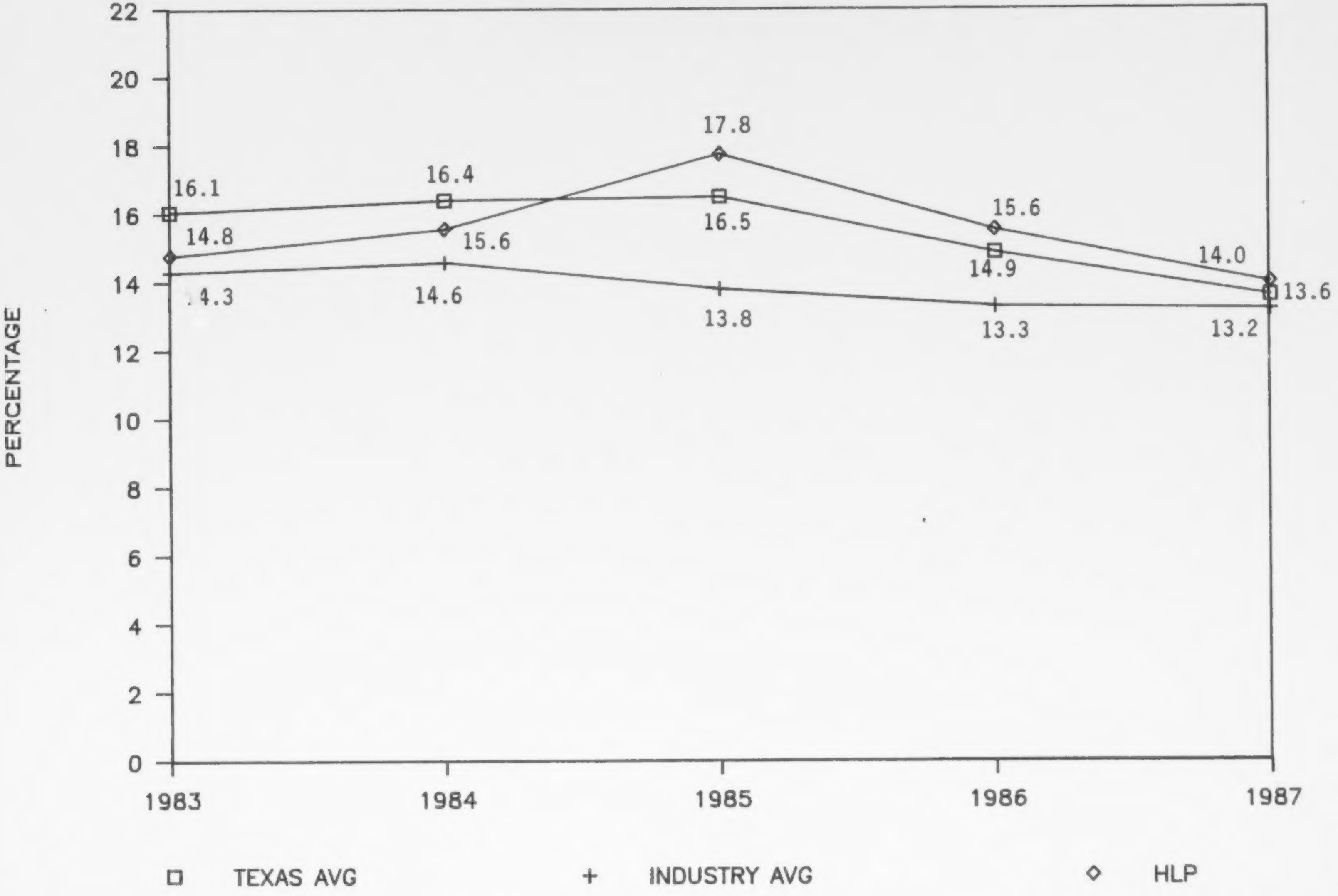
## HOUSTON LIGHTING & POWER



*Includes updates through August 1988.

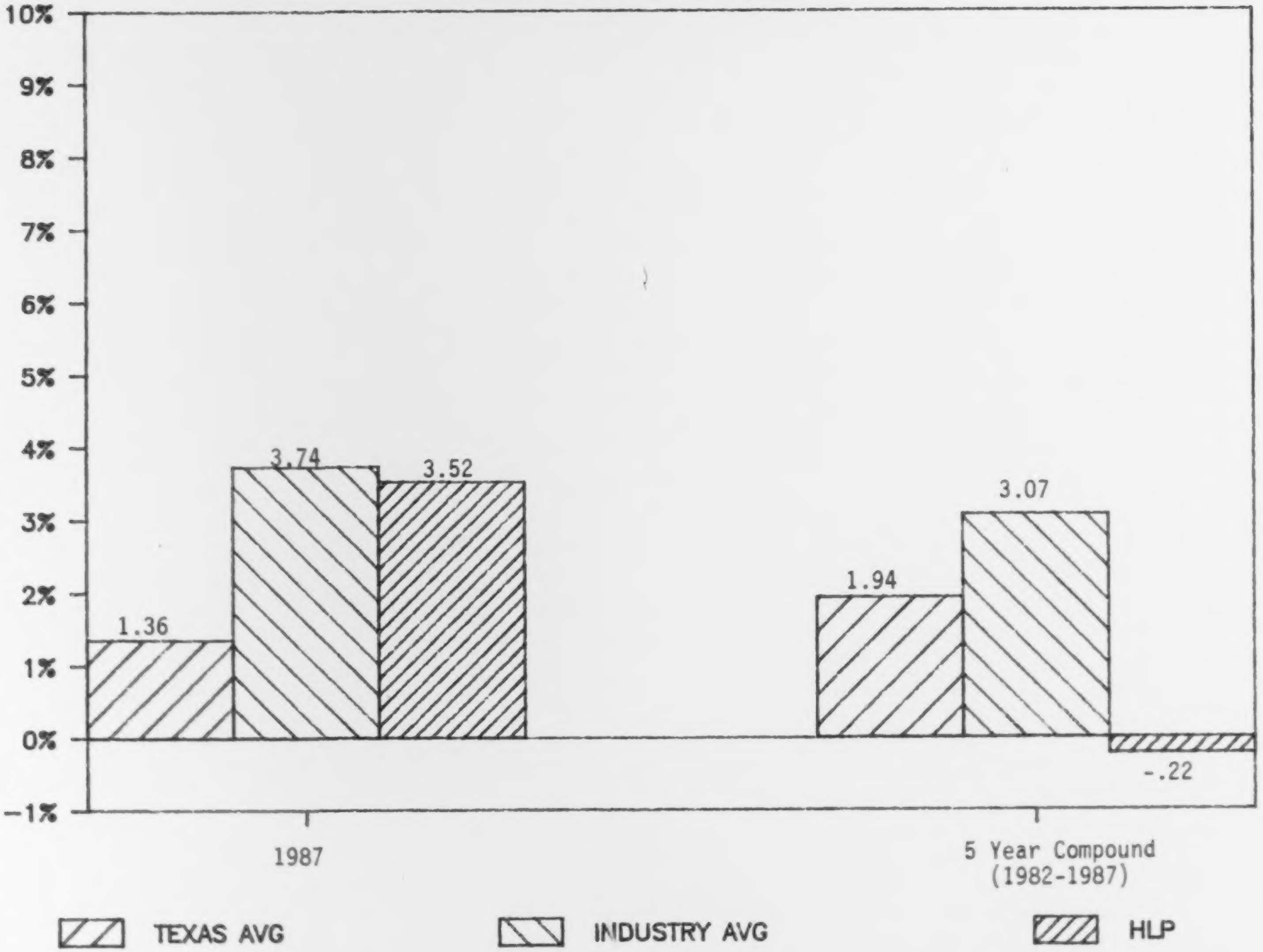
# EARNED RETURN ON EQUITY

## HOUSTON LIGHTING & POWER



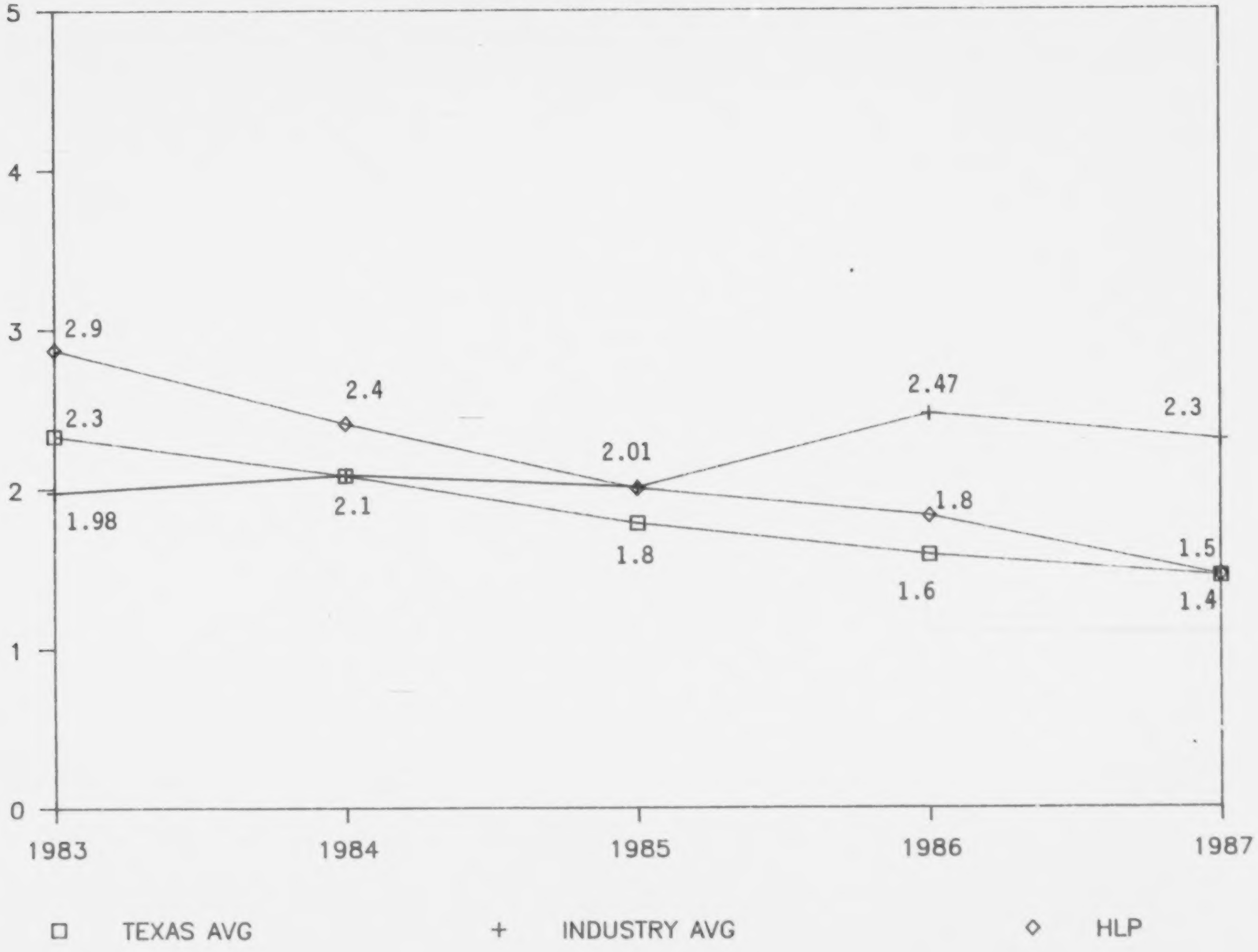
# MWH SALES GROWTH

## HOUSTON LIGHTING & POWER



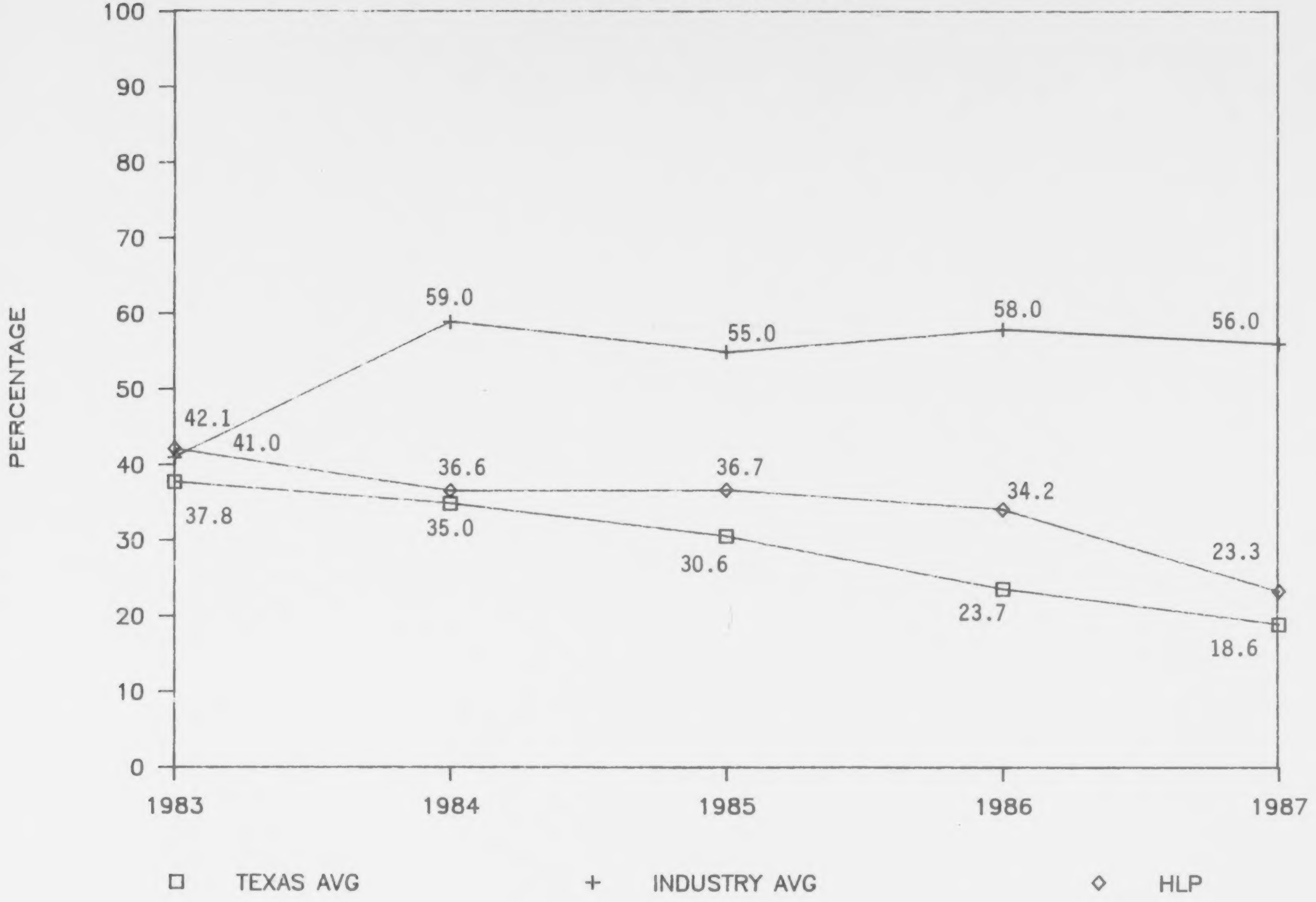
# CASH FLOW COVERAGE OF DIVIDENDS

## HOUSTON LIGHTING & POWER



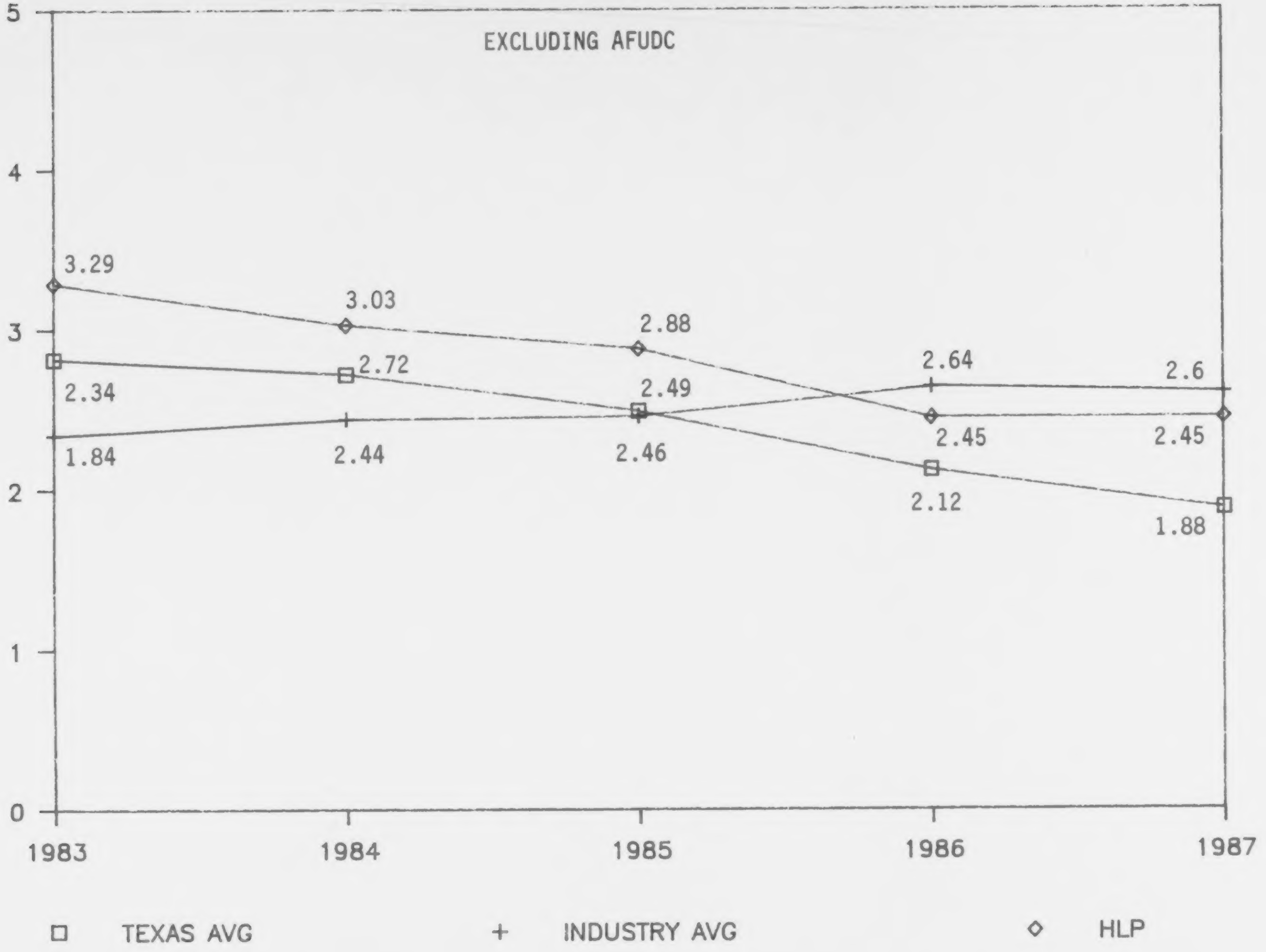
# FUNDS GENERATED INTERNALLY (%)

HOUSTON LIGHTING & POWER



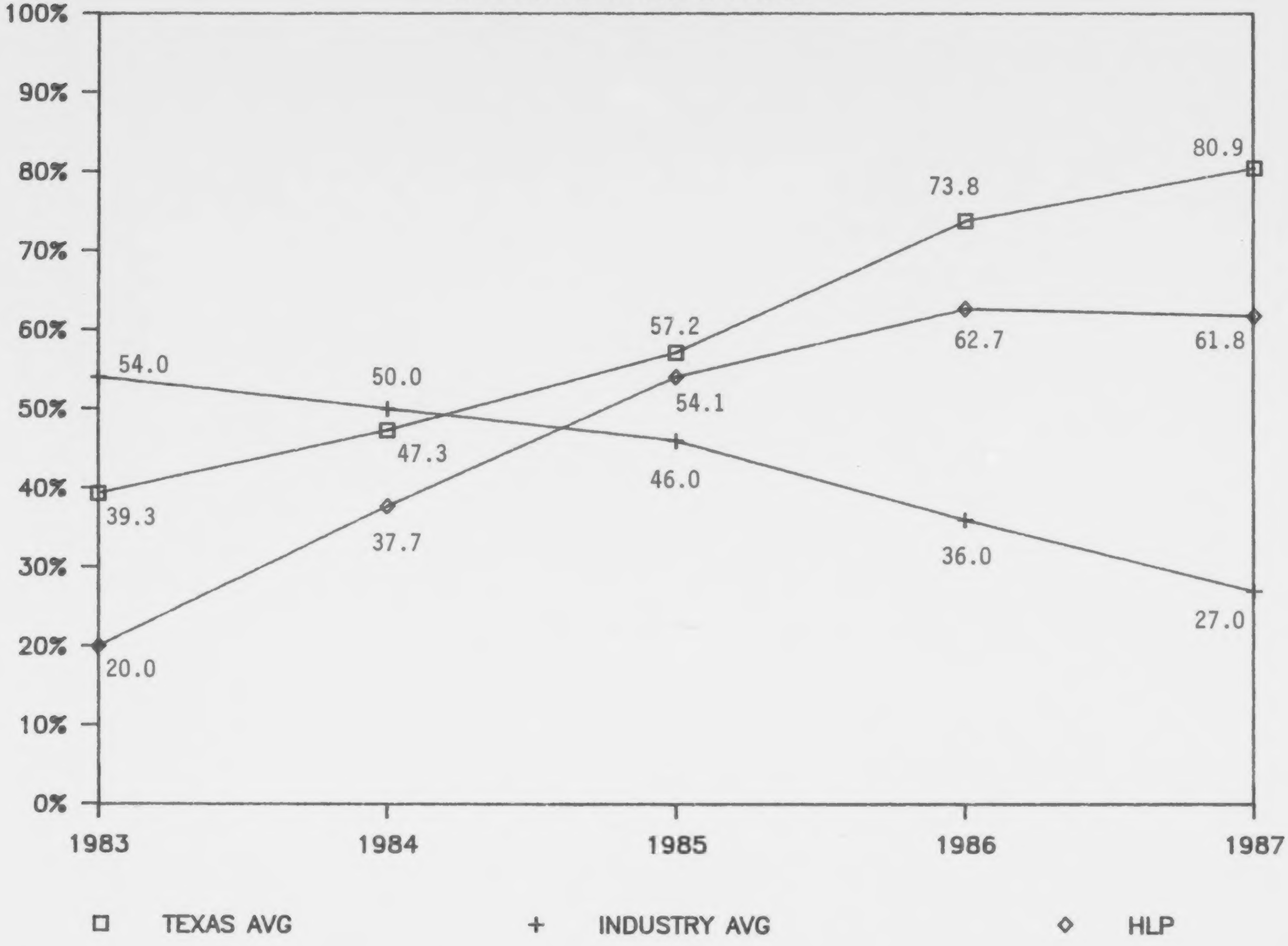
# PRE-TAX INTEREST COVERAGE

HOUSTON LIGHTING & POWER



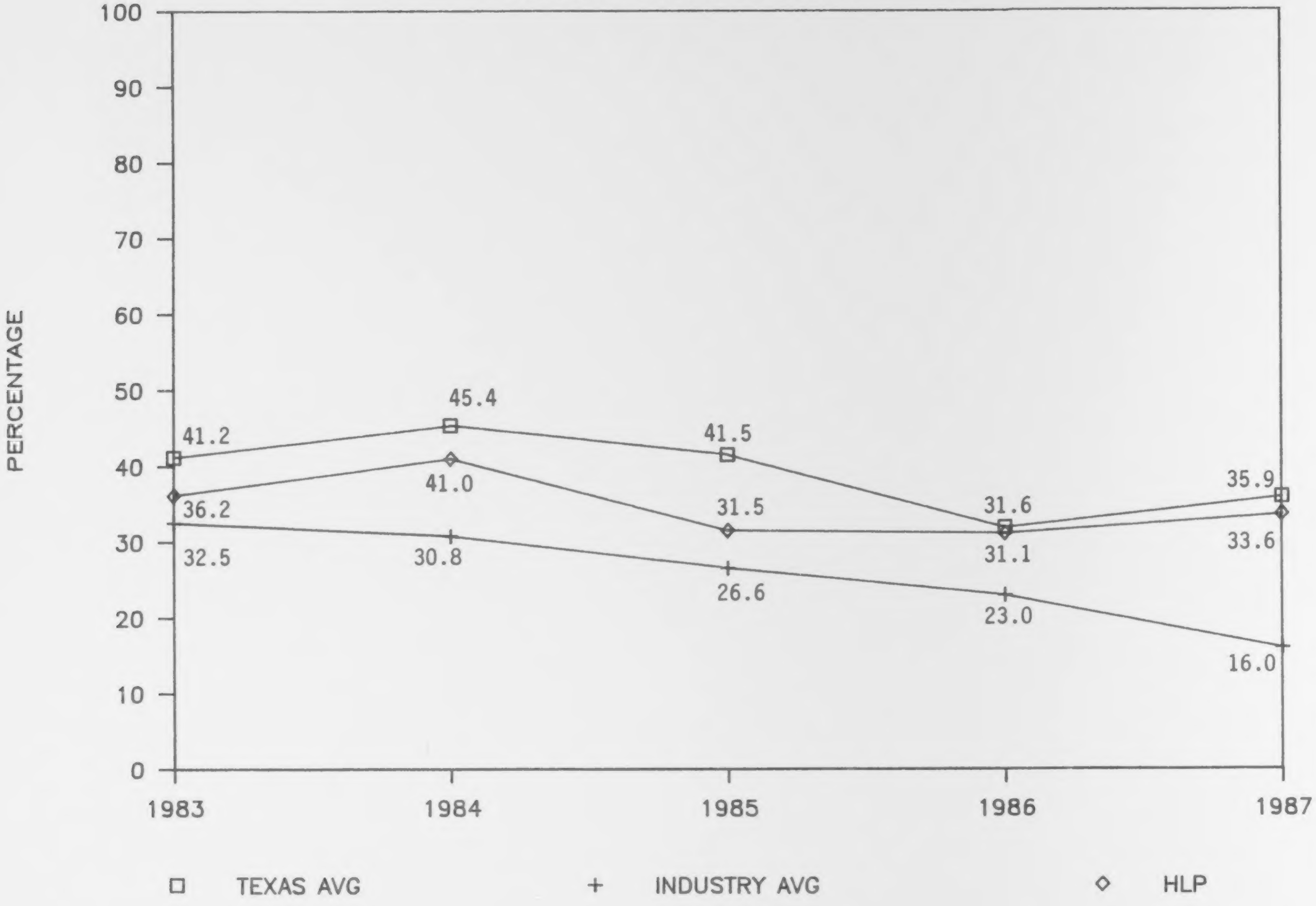
# RATIO OF AFUDC TO INCOME TO COMMON

## HOUSTON LIGHTING & POWER



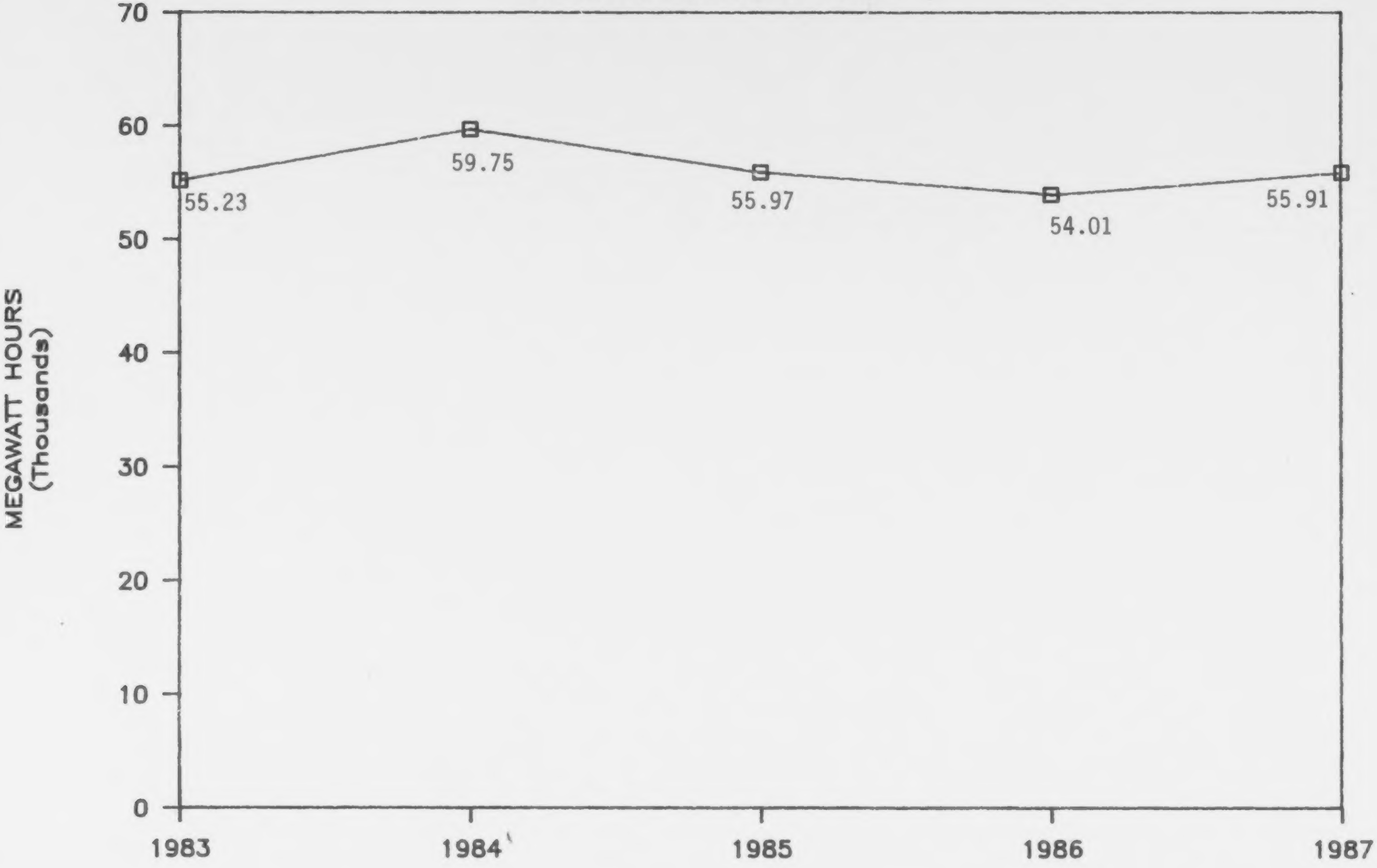
# CWIP AS A % OF NET PLANT

## HOUSTON LIGHTING & POWER



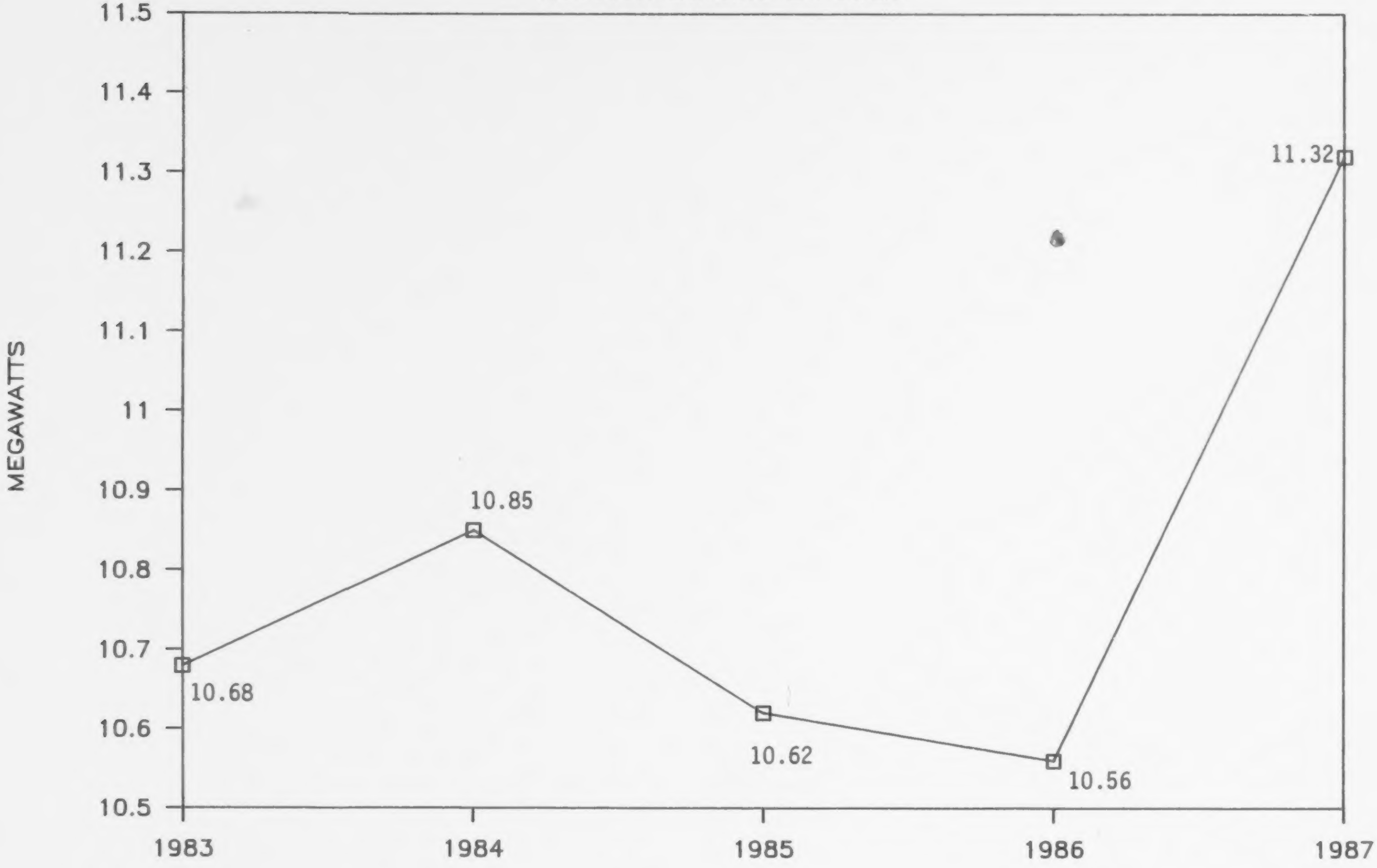
# MWH SALES

## HOUSTON LIGHTING & POWER



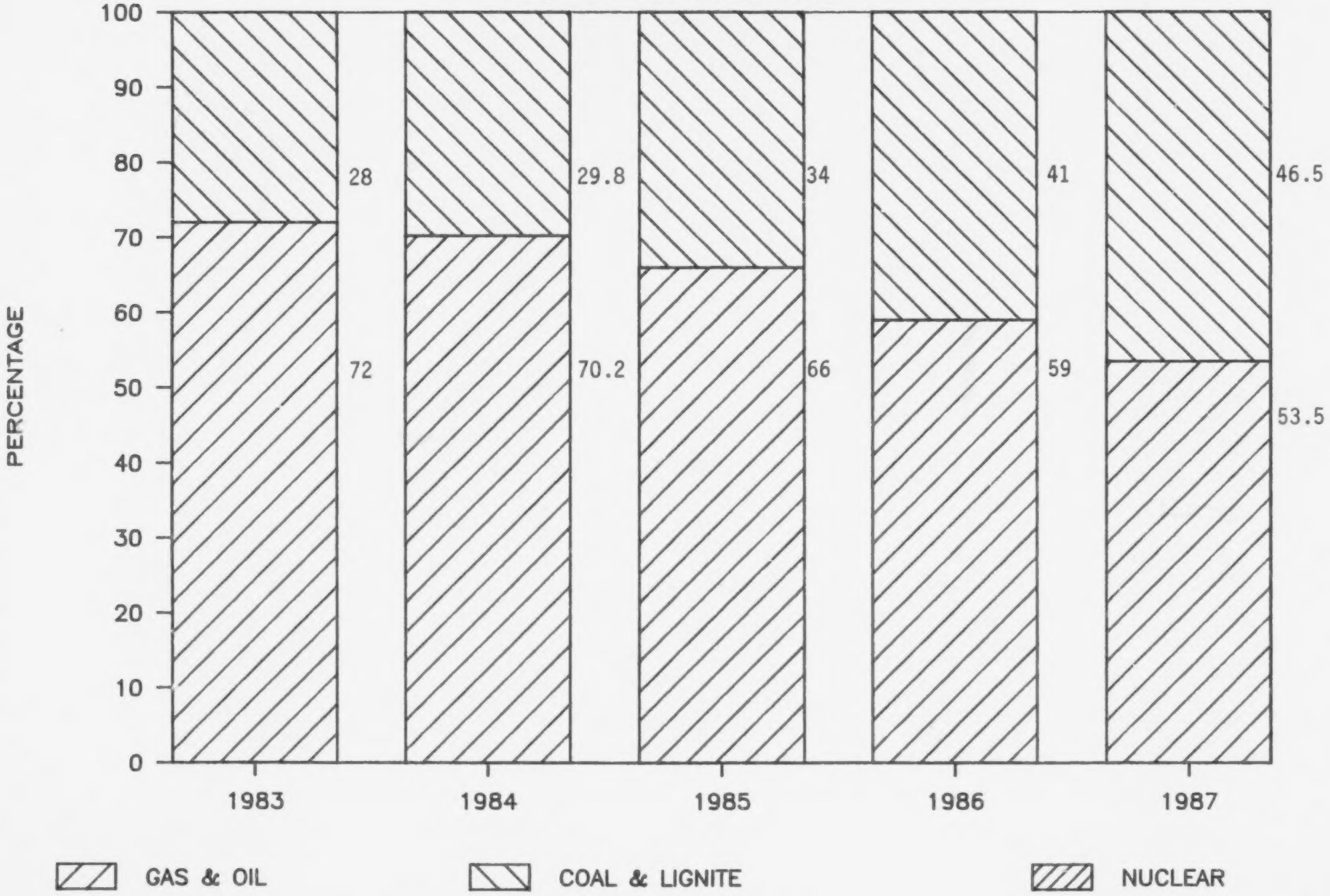
# PEAK DEMAND

HOUSTON LIGHTING & POWER



# FUEL MIX

## HOUSTON LIGHTING & POWER



# TEXAS PUC - COMPANY ANALYSIS REPORT
## HOUSTON LIGHTING & POWER CO (HLP)
## FOR THE FIVE YEARS ENDED 1987

### OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 55,911 | 54,008 | 55,969 | 59,748 | 55,226 | 3.5 | -3.5 | -6.3 | 8.2 | -2.3 | -0.2 | 1.9 |
| MW PEAK DEMAND | 11,318 | 10,556 | 10,618 | 10,851 | 10,676 | 7.2 | -0.6 | -2.1 | 1.6 | 0.8 | 1.3 | 3.0 |
| RESERVE MARGIN | 10.1 | 25.6 | 31.0 | 21.6 | 25.5 | | | | | | | |
| RES CENTS PER KWH | 7.3 | 7.3 | 8.3 | 8.1 | 8.3 | 0.2 | -11.8 | 2.0 | -1.4 | 6.3 | -1.1 | -0.1 |
| RES KWH PER CUST PER MO | 1,069 | 1,060 | 1,081 | 1,057 | 985 | 0.9 | -2.0 | 2.3 | 7.3 | -9.4 | -0.3 | 0.5 |
| CONSTR EXP(000 $) | 644,580 | 712,418 | 745,972 | 904,076 | 886,892 | -9.5 | -4.5 | -17.5 | 1.9 | 20.4 | -2.6 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 53.5 | 59.0 | 66.0 | 70.2 | 72.0 | | | | | | | |
| COAL/LIGNITE | 46.5 | 41.0 | 34.0 | 29.8 | 28.0 | | | | | | | |

### FINANCIAL DATA

| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 3.74 | 3.90 | 4.42 | 3.85 | 3.54 | -4.1 | -11.8 | 14.8 | 8.8 | 118.5 | 18.2 | 4.6 |
| DIVIDENDS PER SHARE($) | 2.86 | 2.76 | 2.60 | 2.44 | 2.28 | 3.6 | 6.2 | 6.6 | 7.0 | 5.6 | 5.8 | 3.6 |
| STOCK PRICE($) | 30.00 | 34.25 | 28.00 | 22.50 | 19.38 | -12.4 | 22.3 | 24.4 | 16.1 | -3.1 | 8.4 | 6.7 |
| BOOK VALUE PER SHARE($) | 28.33 | 26.91 | 26.74 | 24.95 | 23.79 | 5.3 | 0.6 | 7.2 | 4.9 | 4.4 | 4.4 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 14.0 | 15.6 | 17.8 | 15.6 | 14.8 | 15.5 | 15.5 |
| AFC TO EARN | 61.8 | 62.7 | 54.1 | 37.7 | 20.0 | 47.3 | 59.7 |
| YIELD | 8.9 | 8.9 | 10.3 | 11.7 | 11.6 | 10.3 | 8.8 |
| PAYOUT RATIO | 76.5 | 70.8 | 58.8 | 63.4 | 64.4 | 66.8 | 60.5 |
| MARKET TO BOOK | 105.9 | 127.3 | 104.7 | 90.2 | 81.5 | 101.9 | 107.1 |
| PE RATIO(X) | 8.6 | 8.0 | 5.7 | 5.4 | 5.6 | 6.7 | 7.0 |
| INTERNAL GEN | 23.3 | 34.2 | 36.7 | 36.6 | 42.1 | 34.6 | 29.1 |
| INT COV INCL AFC(X) | 3.4 | 3.4 | 3.8 | 3.6 | 3.6 | 3.6 | 3.2 |
| INT COV EXCL AFC(X) | 2.4 | 2.4 | 2.9 | 3.0 | 3.3 | 2.8 | 2.4 |
| CASH FLOW COV OF DIV | 1.5 | 1.8 | 2.0 | 2.4 | 2.9 | 2.1 | 1.8 |
| LONG TERM DEBT RATIO | 45.4 | 47.2 | 47.8 | 48.1 | 46.5 | 47.0 | 46.1 |
| COMMON EQUITY RATIO | 47.5 | 47.2 | 46.4 | 46.3 | 48.0 | 47.1 | 44.4 |
| PREFERRED STOCK RATIO | 7.0 | 5.6 | 5.8 | 5.6 | 5.4 | 5.9 | 9.5 |
| EFFECTIVE TAX RATE | 30.8 | 32.5 | 35.2 | 38.2 | 41.4 | 35.6 | 30.2 |
| BOND RATING | A2/A- | A2/A- | A2/A+ | A2/A+ | A1/A+ | | |
| PCT TPUC JURIS SALES | 100.0 | | | | | | |

# TEXAS PUC - COMPANY ANALYSIS REPORT
## HOUSTON LIGHTING & POWER CO (HLP)
## FOR THE FIVE YEARS ENDED 1987

### INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 3,000,832 | 2,959,740 | 3,533,364 | 3,674,556 | 3,523,745 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 1.4 | -16.2 | -3.8 | 4.3 | 1.3 | -2.9 | 1.5 | | | | | | | |
| FUEL & PP | 1,361,419 | 1,357,062 | 1,863,064 | 2,133,548 | 2,088,526 | | | 45.4 | 45.9 | 52.7 | 58.1 | 59.3 | 52.3 | 49.1 |
| | 0.3 | -27.2 | -12.7 | 2.2 | -2.8 | -8.7 | -2.8 | | | | | | | |
| O & M | 613,355 | 561,406 | 594,576 | 524,806 | 486,061 | | | 20.4 | 19.0 | 16.8 | 14.3 | 13.8 | 16.9 | 17.3 |
| | 9.3 | -5.6 | 13.3 | 8.0 | 4.1 | 5.6 | 8.7 | | | | | | | |
| DEPR | 219,501 | 206,262 | 177,099 | 167,464 | 155,311 | | | 7.3 | 7.0 | 5.0 | 4.6 | 4.4 | 5.7 | 5.9 |
| | 6.4 | 16.5 | 5.8 | 7.8 | 22.2 | 11.6 | 10.0 | | | | | | | |
| CURR FIT | 88,201 | 53,471 | 101,509 | 55,456 | 35,127 | | | 2.9 | 1.8 | 2.9 | 1.5 | 1.0 | 2.0 | 2.2 |
| DEF TAX | 108,100 | 140,777 | 129,464 | 83,499 | 74,968 | | | 3.6 | 4.8 | 3.7 | 2.3 | 2.1 | 3.3 | 2.8 |
| ITC | -885 | 28,033 | 31,584 | 93,174 | 109,694 | | | 0.0 | 0.9 | 0.9 | 2.5 | 3.1 | 1.5 | 1.3 |
| FIT | 195,416 | 222,281 | 262,557 | 232,129 | 219,789 | | | 6.5 | 7.5 | 7.4 | 6.3 | 6.2 | 6.8 | 6.3 |
| | -12.1 | -15.3 | 13.1 | 5.6 | 3.5 | -1.6 | -0.6 | | | | | | | |
| OTH TAX | 151,667 | 146,791 | 140,185 | 135,355 | 116,195 | | | 5.1 | 5.0 | 4.0 | 3.7 | 3.3 | 4.2 | 5.0 |
| | 3.3 | 4.7 | 3.6 | 16.5 | 4.1 | 6.3 | 8.1 | | | | | | | |
| OPER INC | 459,474 | 465,938 | 495,883 | 481,254 | 457,863 | | | 15.3 | 15.7 | 14.0 | 13.1 | 13.0 | 14.2 | 16.3 |
| | -1.4 | -6.0 | 3.0 | 5.1 | 11.3 | 2.2 | 2.9 | | | | | | | |
| AFC | 252,611 | 272,715 | 246,770 | 133,994 | 58,377 | | | 8.4 | 9.2 | 7.0 | 3.6 | 1.7 | 6.0 | 8.1 |
| | -7.4 | 10.5 | 84.2 | 129.5 | -22.4 | 27.4 | 24.4 | | | | | | | |
| OTH INC | -7,747 | 7,236 | 5,022 | 139 | 1,616 | | | -0.3 | 0.2 | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 |
| INTEREST | 264,351 | 284,145 | 265,170 | 235,543 | 206,520 | | | 8.8 | 9.6 | 7.5 | 6.4 | 5.9 | 7.6 | 9.7 |
| | -7.0 | 7.2 | 12.6 | 14.1 | 16.0 | 8.2 | 9.8 | | | | | | | |
| NET INCOME | 439,987 | 461,744 | 482,505 | 379,844 | 311,336 | | | 14.7 | 15.6 | 13.7 | 10.3 | 8.8 | 12.6 | 14.9 |
| | -4.7 | -4.3 | 27.0 | 22.0 | 118.8 | 25.3 | 11.4 | | | | | | | |
| PREF DIV | 31,406 | 26,817 | 26,602 | 24,322 | 20,042 | | | 1.0 | 0.9 | 0.8 | 0.7 | 0.6 | 0.8 | 1.7 |
| | 17.1 | 0.8 | 9.4 | 21.4 | 0.0 | 9.4 | 10.4 | | | | | | | |
| INC TO COM | 408,581 | 434,927 | 455,903 | 355,522 | 291,294 | | | 13.6 | 14.7 | 12.9 | 9.7 | 8.3 | 11.8 | 13.2 |
| | -6.1 | -4.6 | 28.2 | 22.0 | 138.3 | 27.3 | 11.6 | | | | | | | |
| COMMON DIV | 332,458 | 293,982 | 273,177 | 234,645 | 199,377 | | | 11.1 | 9.9 | 7.7 | 6.4 | 5.7 | 8.2 | 8.4 |
| | 13.1 | 7.6 | 16.4 | 17.7 | 18.7 | 14.6 | 9.0 | | | | | | | |
| INC TO RE | 76,123 | 140,945 | 182,726 | 120,877 | 91,917 | | | 2.5 | 4.8 | 5.2 | 3.3 | 2.6 | 3.7 | 4.9 |

TEXAS PUC - COMPANY ANALYSIS REPORT
HOUSTON LIGHTING & POWER CO (HLP)
FOR THE FIVE YEARS ENDED 1987

## BALANCE SHEET ANALYSIS

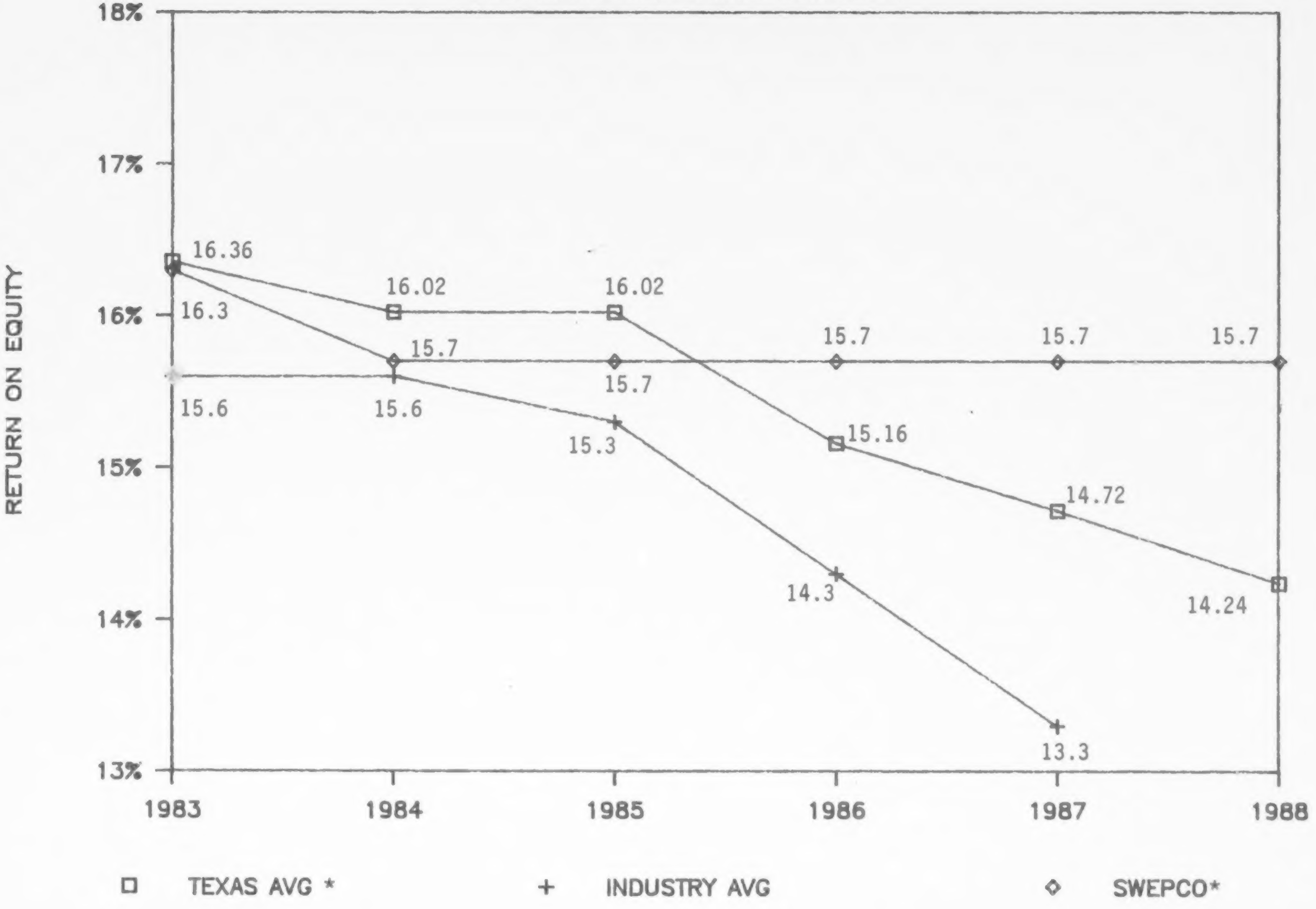
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 7,019,872 | 6,696,964 | 5,935,699 | 4,850,678 | 4,484,689 | | | 80.8 | 82.3 | 75.8 | 69.4 | 74.0 | 76.5 | 73.9 |
| CWIP & OTH | 2,780,005 | 2,296,890 | 2,201,831 | 2,601,979 | 1,985,564 | | | 32.0 | 28.2 | 28.1 | 37.2 | 32.8 | 31.7 | 35.5 |
| TOTAL PLANT | 9,799,877 | 8,993,854 | 8,137,530 | 7,452,657 | 6,470,253 | | | 112.8 | 110.5 | 103.9 | 106.6 | 106.8 | 108.1 | 109.4 |
| ACCUM DEPR | 1,530,543 | 1,351,412 | 1,203,039 | 1,113,412 | 987,247 | | | 17.6 | 16.6 | 15.4 | 15.9 | 16.3 | 16.4 | 19.0 |
| NET PLANT | 8,269,334 | 7,642,442 | 6,934,491 | 6,339,245 | 5,483,006 | | | 95.2 | 93.9 | 88.6 | 90.7 | 90.5 | 91.8 | 90.4 |
| | 8.2 | 10.2 | 9.4 | 15.6 | 16.6 | 12.0 | 10.4 | | | | | | | |
| CASH & INV | 743 | 891 | 328,030 | 139,896 | 17,279 | | | 0.0 | 0.0 | 4.2 | 2.0 | 0.3 | 1.3 | 1.8 |
| ACCTS REC | 38,367 | 152,958 | 165,069 | 193,586 | 173,254 | | | 0.4 | 1.9 | 2.1 | 2.8 | 2.9 | 2.0 | 2.5 |
| INVENTORY | 109,644 | 96,627 | 76,678 | 108,514 | 147,542 | | | 1.3 | 1.2 | 1.0 | 1.6 | 2.4 | 1.5 | 1.6 |
| OTH CURRENT | 11,661 | 11,731 | 99,234 | 4,892 | 4,326 | | | 0.1 | 0.1 | 1.3 | 0.1 | 0.1 | 0.3 | 0.5 |
| TOTAL CURR | 160,415 | 262,207 | 669,011 | 446,888 | 342,401 | | | 1.8 | 3.2 | 8.5 | 6.4 | 5.7 | 5.1 | 6.4 |
| | -38.8 | -60.8 | 49.7 | 30.5 | -5.4 | -15.0 | 10.2 | | | | | | | |
| OTH ASSETS | 257,995 | 232,076 | 225,888 | 204,199 | 230,960 | | | 3.0 | 2.9 | 2.9 | 2.9 | 3.8 | 3.1 | 3.2 |
| TOTAL ASSETS | 8,687,744 | 8,136,725 | 7,829,390 | 6,990,332 | 6,056,367 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 6.8 | 3.9 | 12.0 | 15.4 | 14.8 | 10.5 | 11.3 | | | | | | | |
| COMMON EQ | 2,975,302 | 2,866,739 | 2,725,794 | 2,406,793 | 2,157,811 | | | 34.2 | 35.2 | 34.8 | 34.4 | 35.6 | 34.9 | 34.5 |
| | 3.8 | 5.2 | 13.3 | 11.5 | 21.0 | 10.8 | 11.5 | | | | | | | |
| PREF STOCK | 440,374 | 341,319 | 341,348 | 292,327 | 243,518 | | | 5.1 | 4.2 | 4.4 | 4.2 | 4.0 | 4.4 | 7.3 |
| | 29.0 | 0.0 | 16.8 | 20.0 | 0.0 | 12.6 | 10.1 | | | | | | | |
| LT DEBT | 2,844,918 | 2,865,105 | 2,808,643 | 2,500,767 | 2,091,000 | | | 32.7 | 35.2 | 35.9 | 35.8 | 34.5 | 34.8 | 35.9 |
| | -0.7 | 2.0 | 12.3 | 19.6 | 8.3 | 8.1 | 10.5 | | | | | | | |
| TOTAL CAP | 6,260,594 | 6,073,163 | 5,875,785 | 5,199,887 | 4,492,329 | | | 72.1 | 74.6 | 75.0 | 74.4 | 74.2 | 74.1 | 77.7 |
| | 3.1 | 3.4 | 13.0 | 15.8 | 13.5 | 9.6 | 10.9 | | | | | | | |
| ST DEBT | 551,966 | 112,053 | 34,213 | 74,427 | 137,826 | | | 6.4 | 1.4 | 0.4 | 1.1 | 2.3 | 2.3 | 1.7 |
| OTH CURRENT | 484,619 | 653,297 | 722,349 | 604,184 | 514,182 | | | 5.6 | 8.0 | 9.2 | 8.6 | 8.5 | 8.0 | 6.5 |
| TOTAL CURR | 1,036,585 | 765,350 | 756,562 | 678,611 | 652,008 | | | 11.9 | 9.4 | 9.7 | 9.7 | 10.8 | 10.3 | 8.3 |
| | 35.4 | 1.2 | 11.5 | 4.1 | 16.6 | 13.1 | 9.4 | | | | | | | |
| ACC DEF TAX | 793,082 | 725,192 | 631,503 | 547,364 | 485,097 | | | 9.1 | 8.9 | 8.1 | 7.8 | 8.0 | 8.4 | 8.0 |
| | 9.4 | 14.8 | 15.4 | 12.8 | 14.6 | 13.4 | 15.6 | | | | | | | |
| ACC ITC | 529,337 | 530,292 | 504,136 | 474,123 | 384,940 | | | 6.1 | 6.5 | 6.4 | 6.8 | 6.4 | 6.4 | 5.3 |
| | -0.2 | 5.2 | 6.3 | 23.2 | 34.1 | 13.0 | 9.9 | | | | | | | |
| OTH LIAB | 68,146 | 42,728 | 61,404 | 90,347 | 41,993 | | | 0.8 | 0.5 | 0.8 | 1.3 | 0.7 | 0.8 | 0.7 |
| LIAB AND EQ | 8,687,744 | 8,136,725 | 7,829,390 | 6,990,332 | 6,056,367 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section VI - Southwestern Electric Power Company

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
7. Ratio of AFUDC to Income to Common 1983-1987
8. CWIP as a Percentage of Net Plant 1983-1987
9. Total Megawatt Hour Sales 1983-1987
10. Megawatt Peak Demand 1983-1987
11. Fuel Mix 1983-1987
12. Operating Data 1983-1987
13. Income Statement Analysis 1983-1987
14. Balance Sheet Analysis 1983-1987

# ALLOWED RETURN ON EQUITY

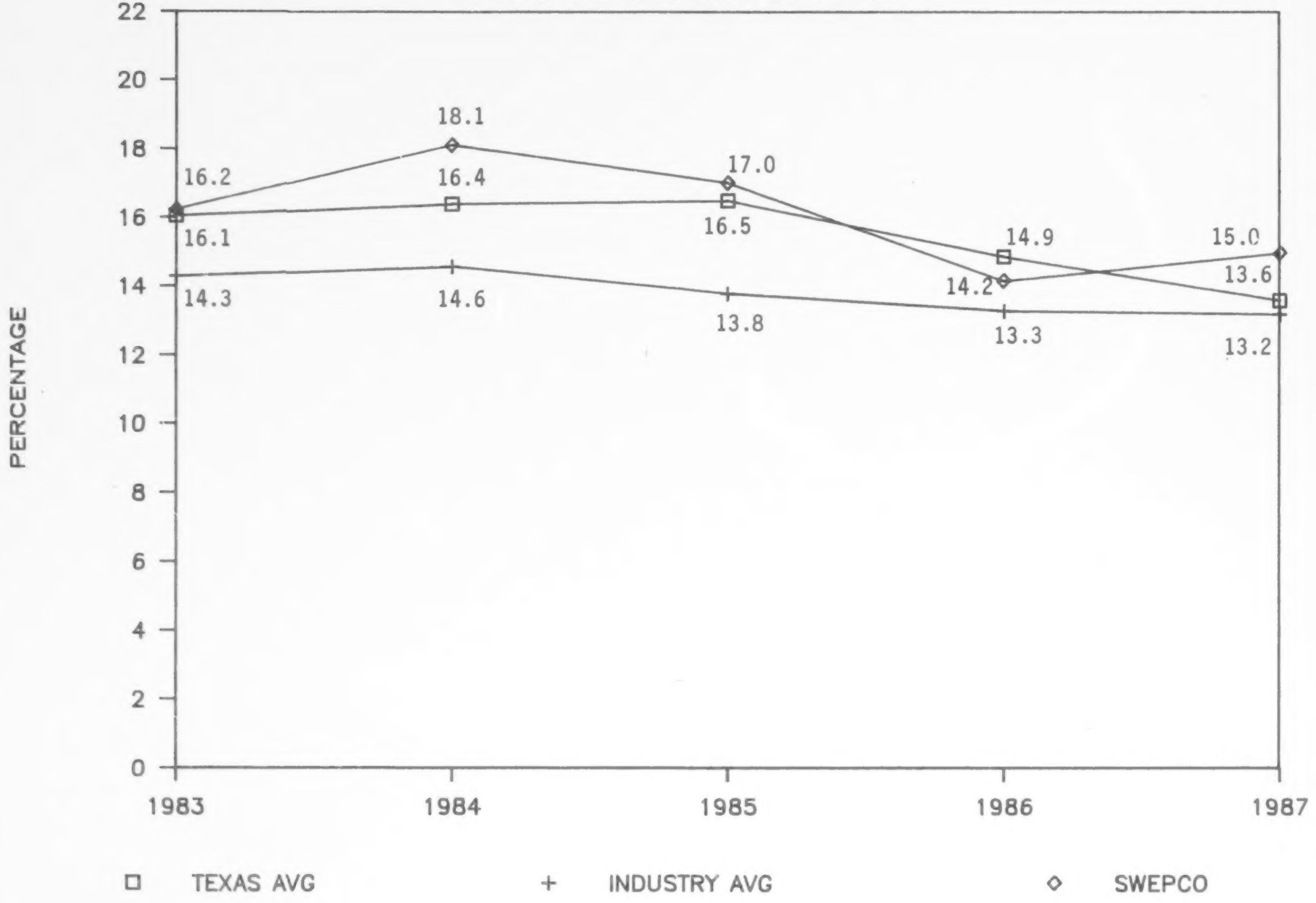
## SOUTHWESTERN ELECTRIC POWER CO.



*Includes updates through August 1988.

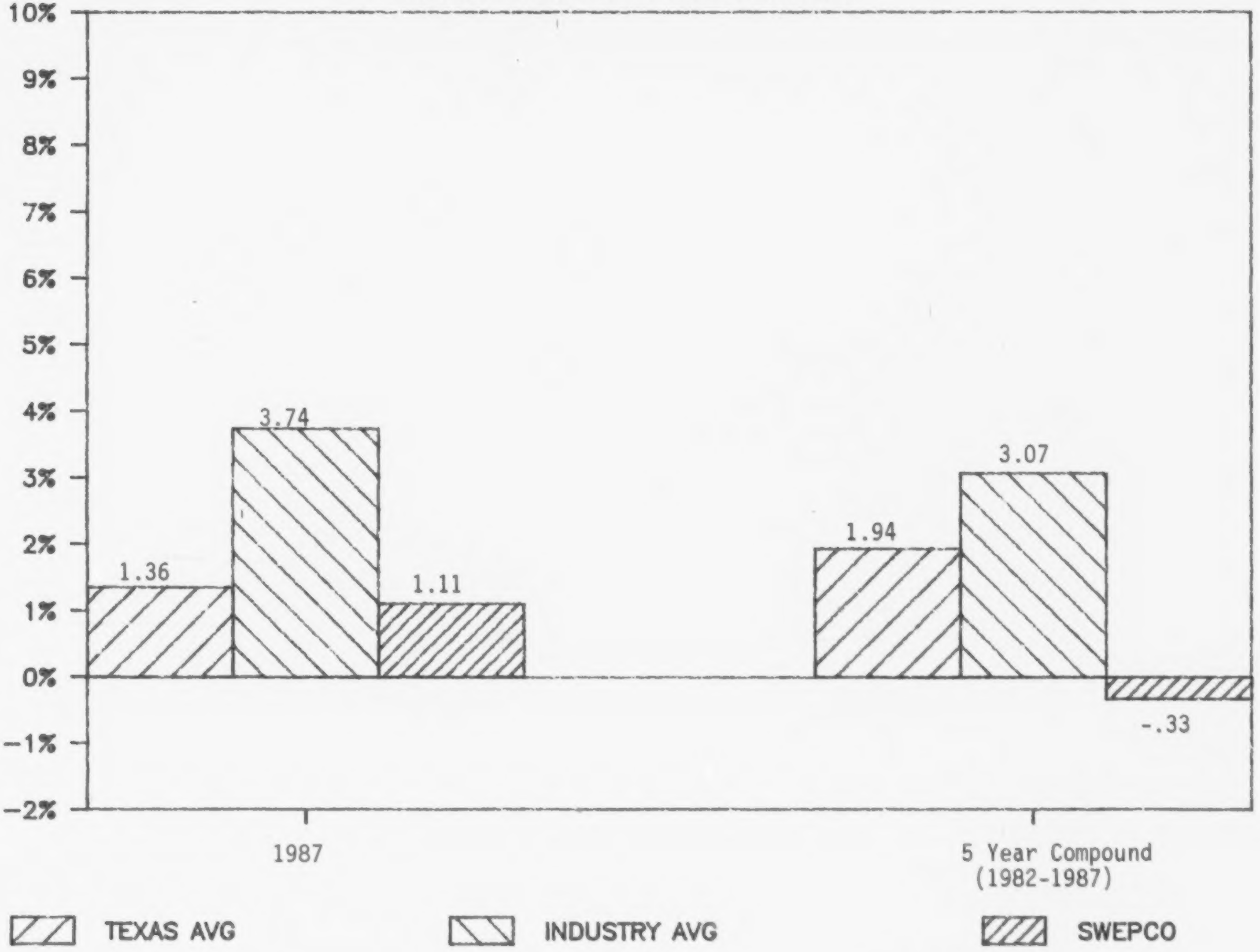
# EARNED RETURN ON EQUITY

## SOUTHWESTERN ELECTRIC POWER CO.



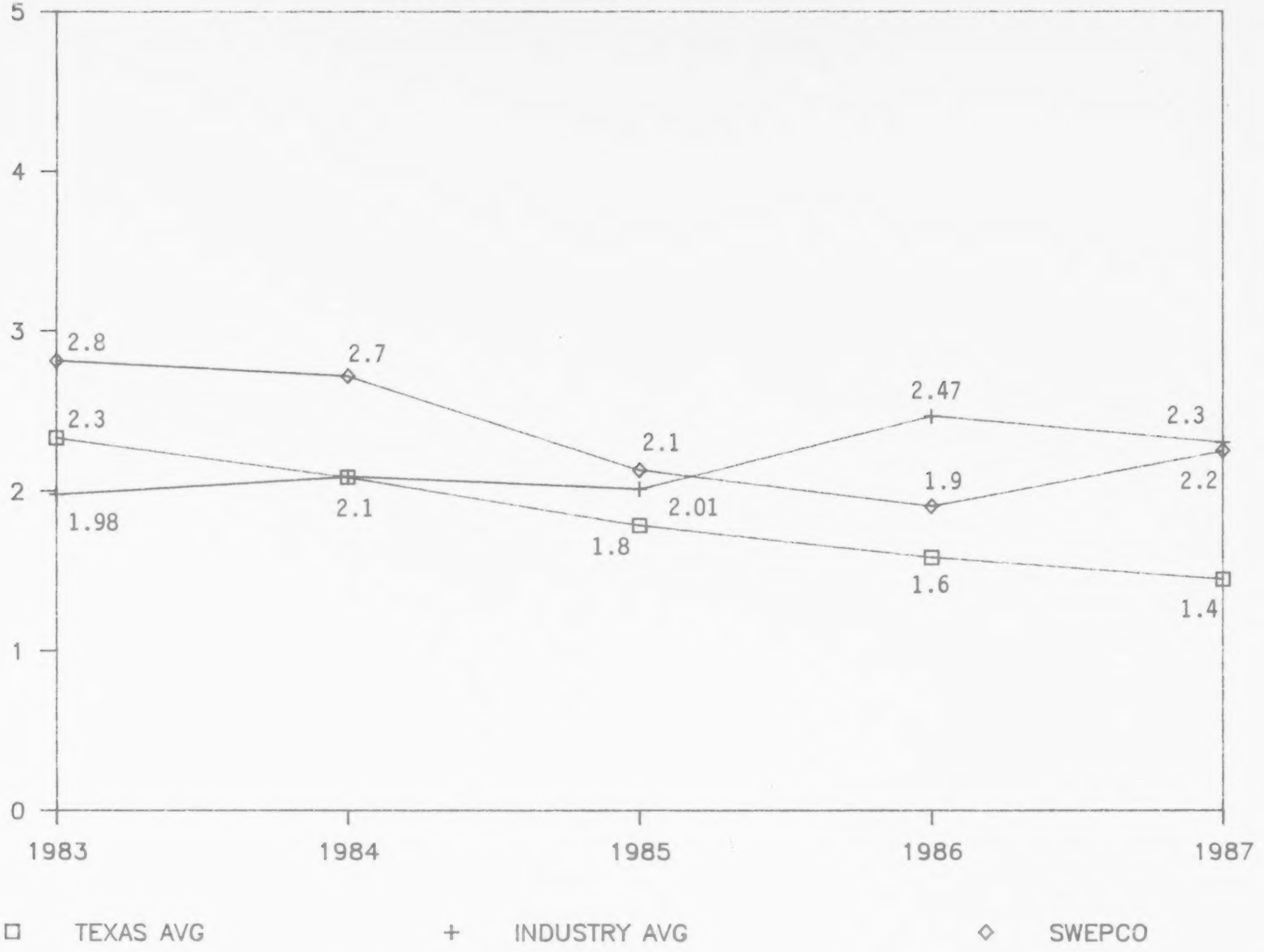
# MWH SALES GROWTH

## SOUTHWESTERN ELECTRIC POWER CO.



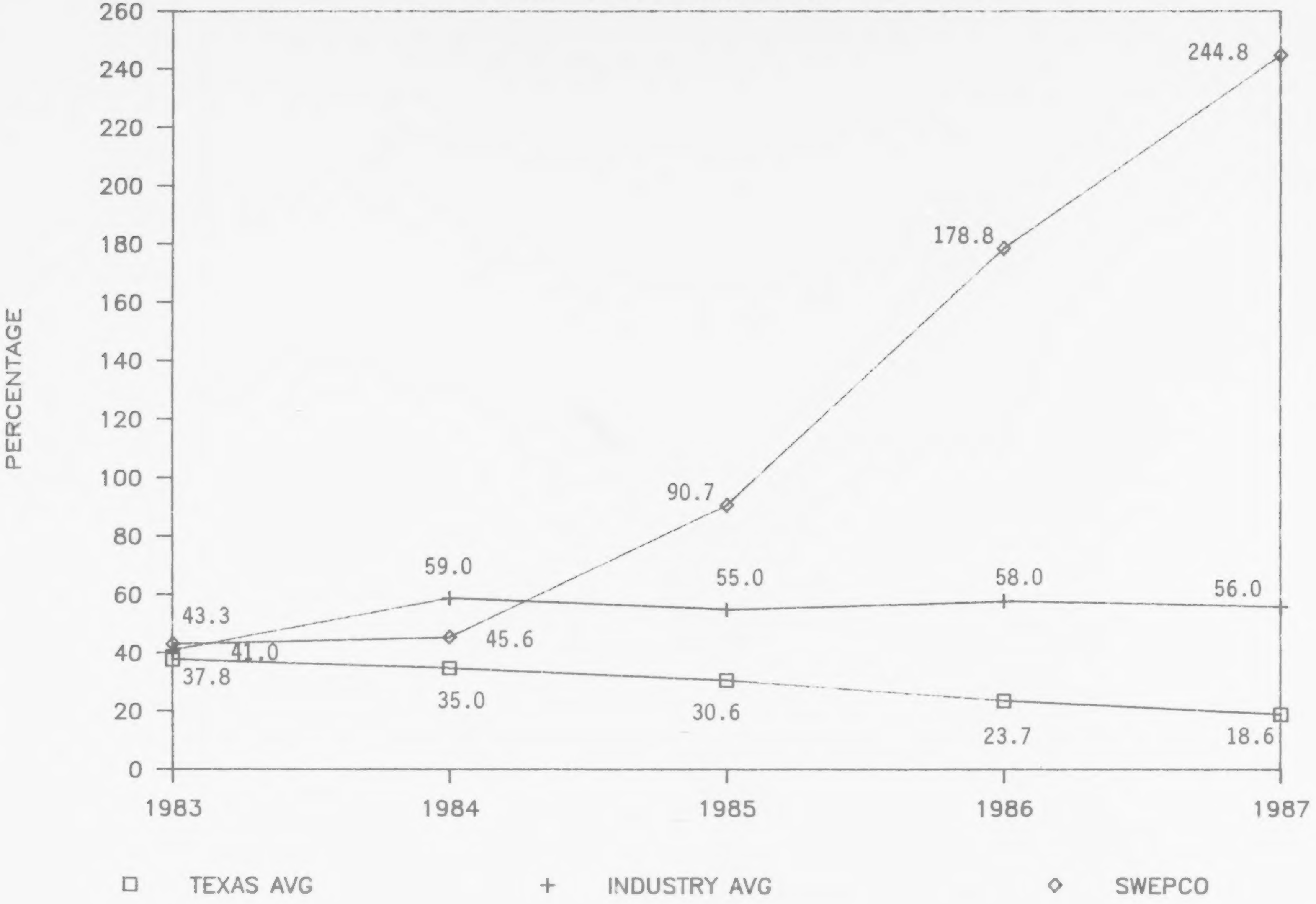
# CASH FLOW COVERAGE OF DIVIDENDS

## SOUTHWESTERN ELECTRIC POWER CO.



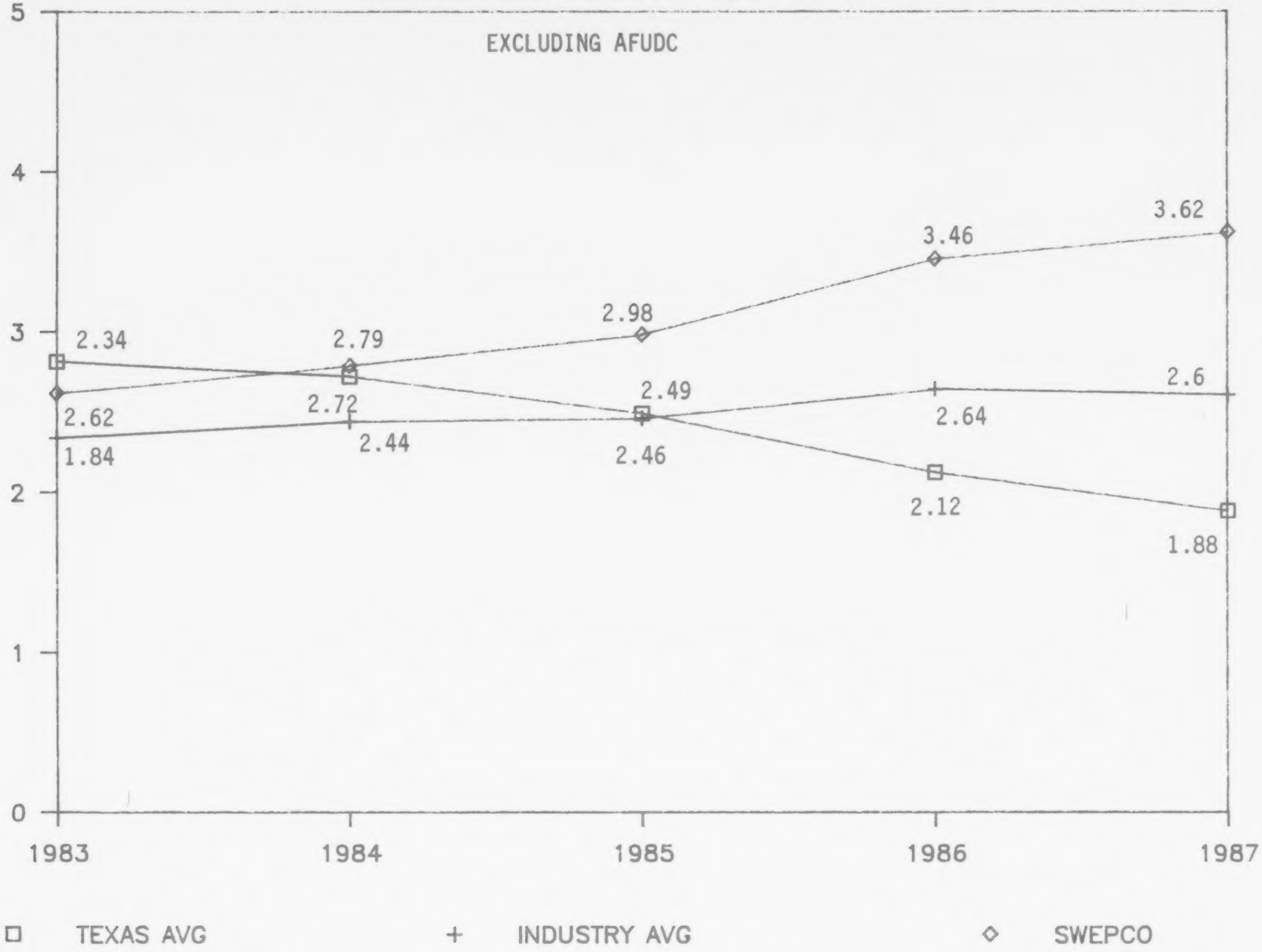
# FUNDS GENERATED INTERNALLY (%)

SOUTHWESTERN ELECTRIC POWER CO.



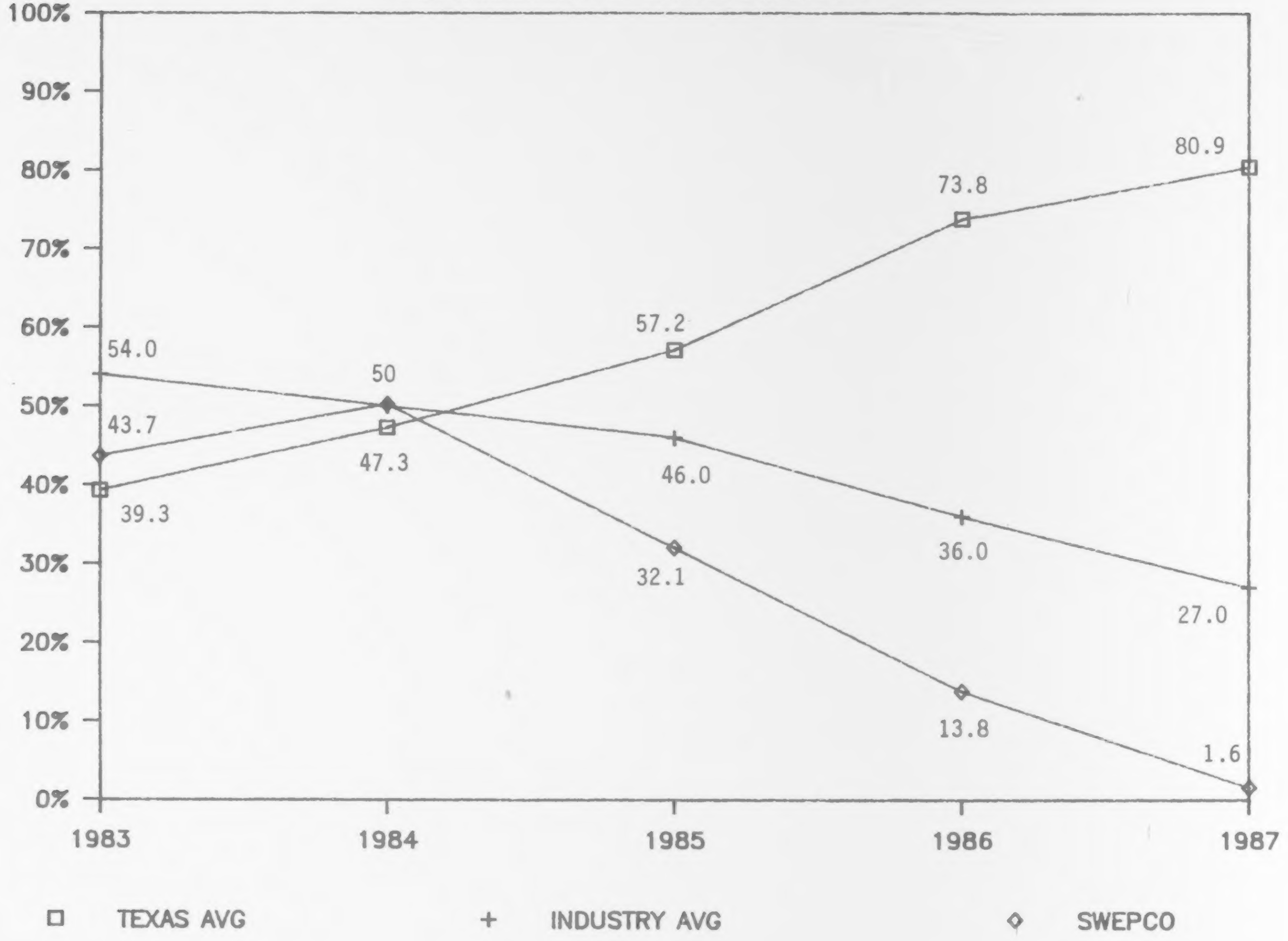
# PRE–TAX INTEREST COVERAGE

## SOUTHWESTERN ELECTRIC POWER CO.



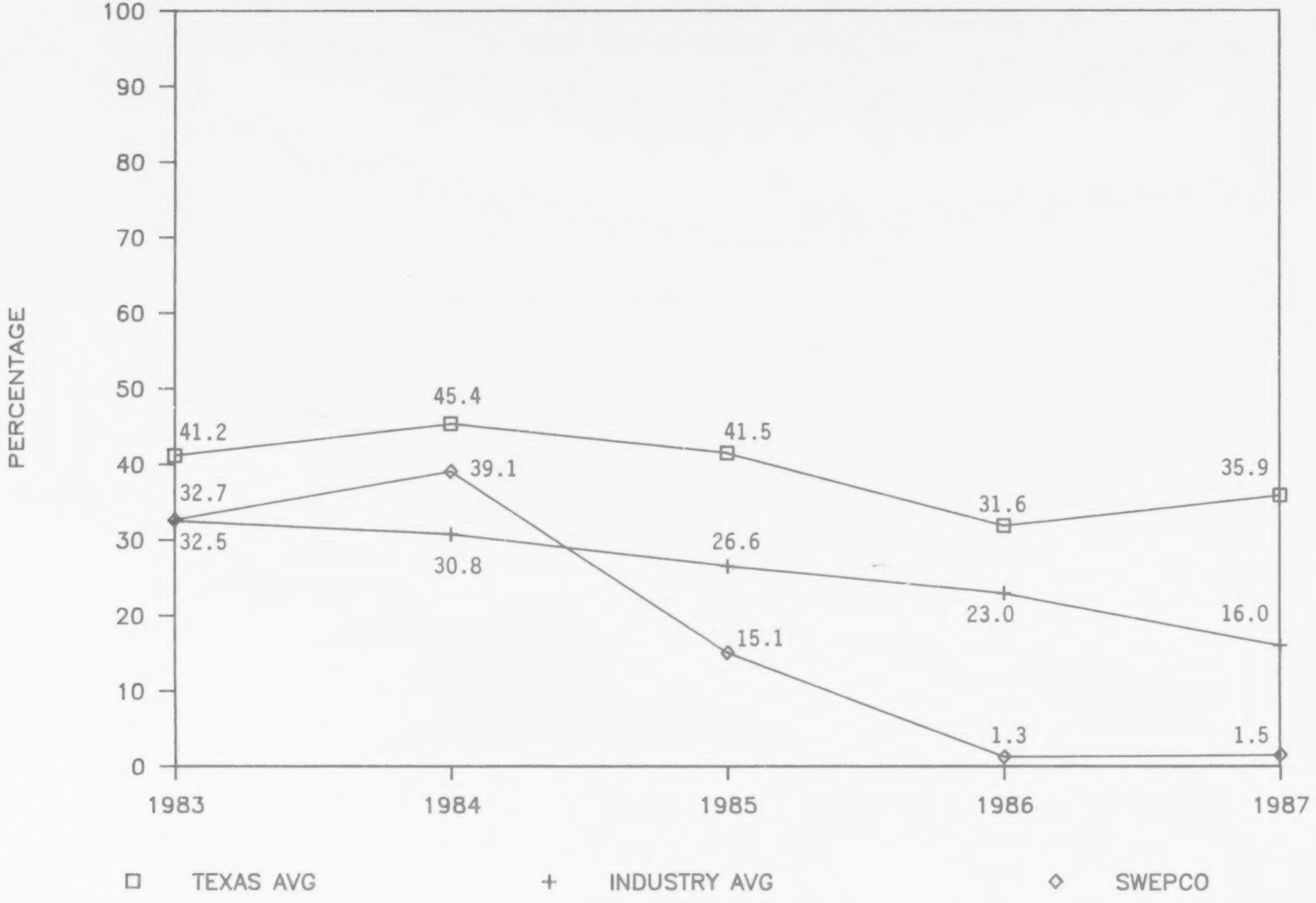
# RATIO OF AFUDC TO INCOME TO COMMON

## SOUTHWESTERN ELECTRIC POWER CO.



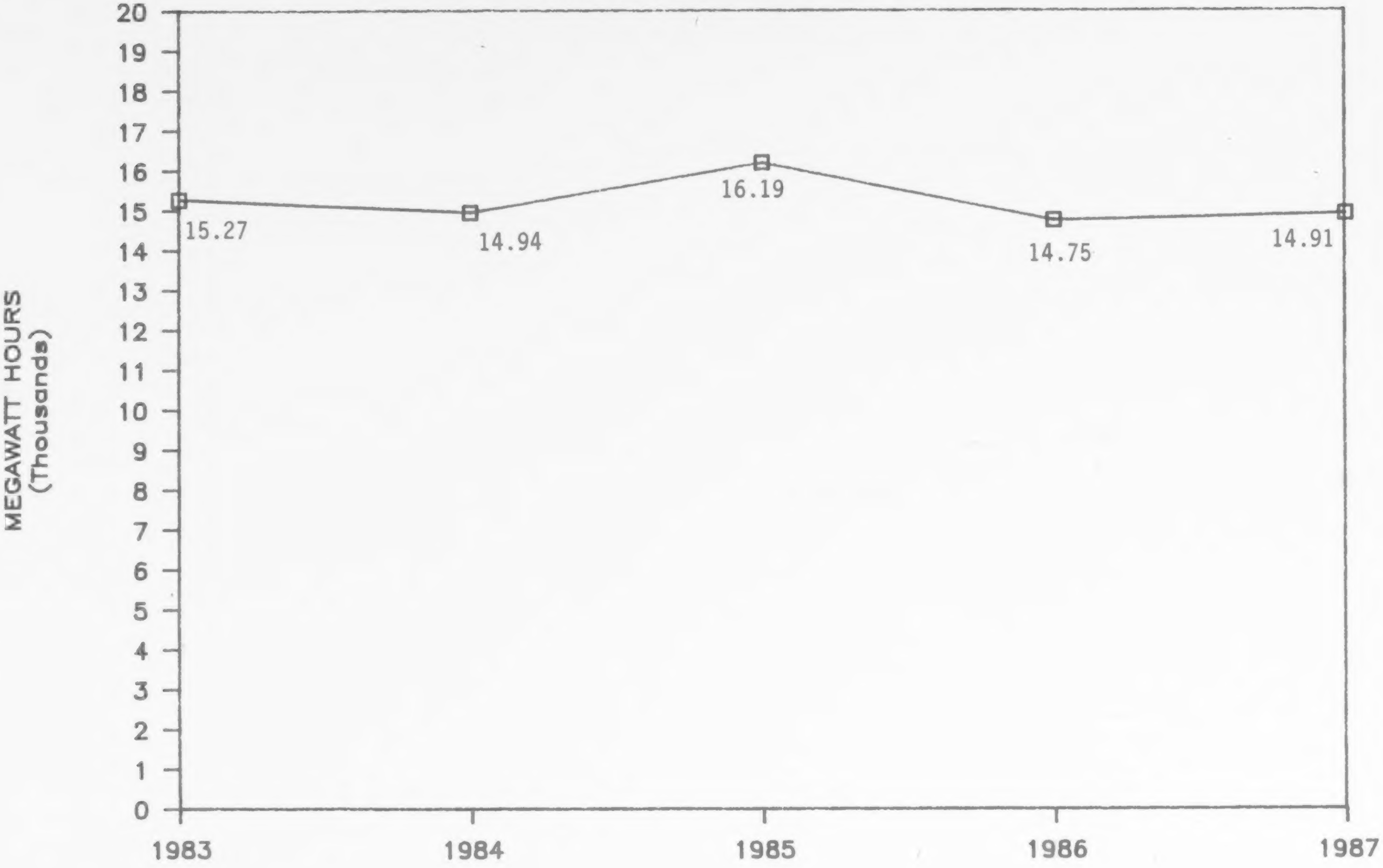
# CWIP AS A % OF NET PLANT

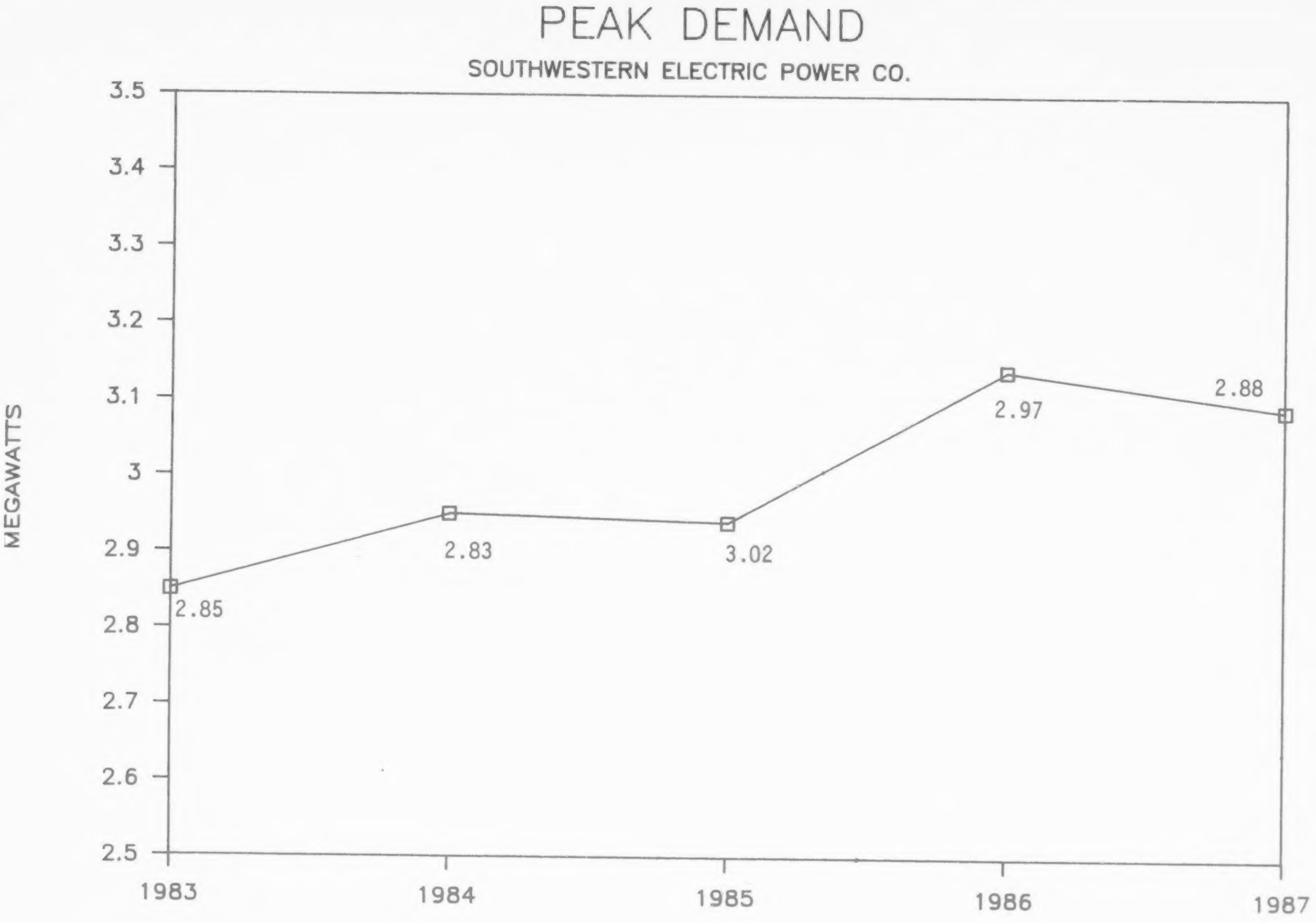
## SOUTHWESTERN ELECTRIC POWER CO.



# MWH SALES

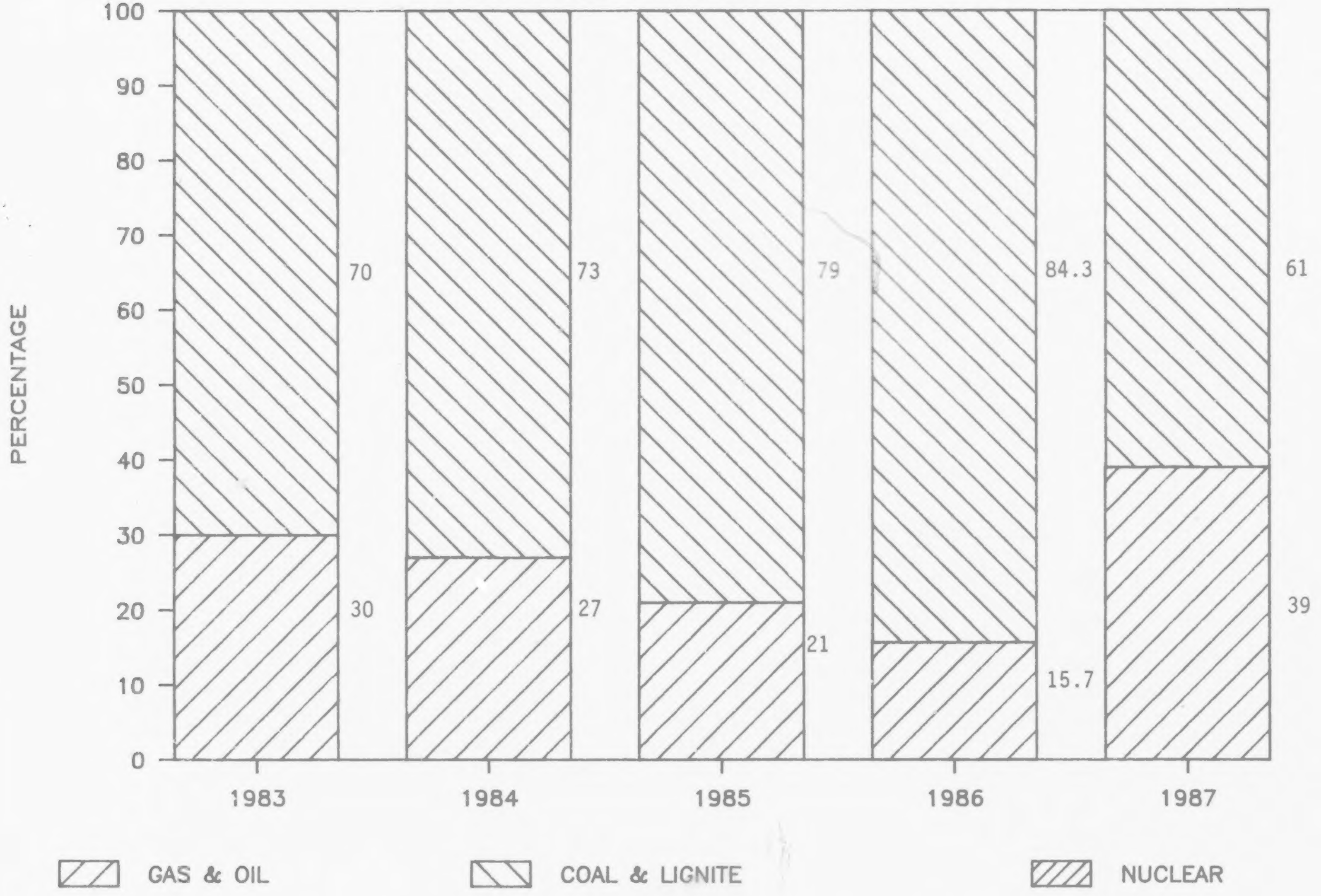
SOUTHWESTERN ELECTRIC POWER CO.




PEAK DEMAND
SOUTHWESTERN ELECTRIC POWER CO.
MEGAWATTS
3.5
3.4
3.3
3.2
3.1
3
2.9
2.8
2.7
2.6
2.5
1983
1984
1985
1986
1987
2.85
2.83
3.02
2.97
2.88

# FUEL MIX

SOUTHWESTERN ELECTRIC POWER CO.



### TEXAS PUC - COMPANY ANALYSIS REPORT
### SOUTHWESTERN ELECTRIC POWER CO (SWP)
### FOR THE FIVE YEARS ENDED 1987

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 14,910 | 14,747 | 16,186 | 14,942 | 15,271 | 1.1 | -8.9 | 8.3 | -2.2 | 0.8 | -0.3 | 1.9 |
| MW PEAK DEMAND | 3,085 | 3,140 | 2,943 | 2,948 | 2,849 | -1.8 | 6.7 | -0.2 | 3.5 | 6.8 | 2.9 | 3.0 |
| RESERVE MARGIN | 45.8 | 43.0 | 43.8 | 27.0 | 31.8 | | | | | | | |
| RES CENTS PER KWH | 6.6 | 6.7 | 6.7 | 6.5 | 6.1 | -1.9 | -0.8 | 3.1 | 6.5 | 17.9 | 4.7 | -0.1 |
| RES KWH PER CUST PER MO | 942 | 924 | 928 | 901 | 871 | 1.9 | -0.4 | 3.1 | 3.4 | -3.4 | 0.9 | 0.5 |
| CONSTR EXP(000 $) | 40,848 | 46,125 | 100,389 | 200,354 | 202,200 | -11.4 | -54.1 | -49.9 | -0.9 | -13.3 | -29.4 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 39.0 | 15.7 | 21.0 | 27.0 | 30.0 | | | | | | | |
| COAL/LIGNITE | 61.0 | 84.3 | 79.0 | 73.0 | 70.0 | | | | | | | |

## FINANCIAL DATA

| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 3.92 | 3.75 | 3.61 | 3.43 | 3.02 | 4.5 | 3.9 | 5.2 | 13.6 | 7.1 | 6.8 | 4.6 |
| DIVIDENDS PER SHARE($) | 2.28 | 2.02 | 2.02 | 1.90 | 1.78 | 12.9 | 0.0 | 6.3 | 6.7 | 6.0 | 6.3 | 3.6 |
| STOCK PRICE($) | 29.50 | 34.25 | 27.50 | 22.75 | 19.50 | -13.9 | 24.5 | 20.9 | 16.7 | 10.6 | 10.8 | 6.7 |
| BOOK VALUE PER SHARE($) | 26.52 | 24.89 | 23.29 | 21.68 | 20.21 | 6.5 | 6.9 | 7.4 | 7.3 | 6.3 | 6.9 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 15.0 | 14.2 | 17.0 | 18.1 | 16.2 | 16.1 | 15.5 |
| AFC TO EARN | 1.6 | 13.8 | 32.1 | 50.3 | 43.7 | 28.3 | 59.7 |
| YIELD | 7.2 | 6.5 | 8.0 | 9.0 | 9.6 | 8.1 | 8.8 |
| PAYOUT RATIO | 58.2 | 53.9 | 56.0 | 55.4 | 58.9 | 56.5 | 60.5 |
| MARKET TO BOOK | 111.2 | 137.6 | 118.1 | 104.9 | 96.5 | 113.7 | 107.1 |
| PE RATIO(X) | 8.1 | 8.2 | 7.0 | 6.2 | 6.1 | 7.1 | 7.0 |
| INTERNAL GEN | 244.8 | 178.8 | 90.7 | 45.6 | 43.3 | 120.6 | 29.1 |
| INT COV INCL AFC(X) | 3.6 | 3.7 | 3.4 | 3.5 | 3.1 | 3.5 | 3.2 |
| INT COV EXCL AFC(X) | 3.6 | 3.5 | 3.0 | 2.8 | 2.6 | 3.1 | 2.4 |
| CASH FLOW COV OF DIV | 2.2 | 1.9 | 2.1 | 2.7 | 2.8 | 2.4 | 1.8 |
| LONG TERM DEBT RATIO | 46.5 | 45.4 | 46.2 | 46.1 | 42.1 | 45.2 | 46.1 |
| COMMON EQUITY RATIO | 46.8 | 46.9 | 46.2 | 43.4 | 45.8 | 45.8 | 44.4 |
| PREFERRED STOCK RATIO | 6.6 | 7.8 | 7.6 | 10.5 | 12.1 | 8.9 | 9.5 |
| EFFECTIVE TAX RATE | 35.3 | 41.2 | 37.6 | 35.7 | 39.2 | 37.8 | 30.2 |
| BOND RATING | Aa2/AA- | Aa2/AA- | Aa2/AA- | Aa2/AA | Aa2/AA | | |
| PCT TPUC JURIS SALES | 45.0 | | | | | | |

## TEXAS PUC - COMPANY ANALYSIS REPORT
## SOUTHWESTERN ELECTRIC POWER CO (SWP)
## FOR THE FIVE YEARS ENDED 1987

### INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 714,652 | 723,292 | 779,558 | 754,414 | 713,922 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -1.2 | -7.2 | 3.3 | 5.7 | 16.1 | 3.1 | 1.5 | | | | | | | |
| FUEL & PP | 288,740 | 305,583 | 374,482 | 403,614 | 392,973 | | | 40.4 | 42.2 | 48.0 | 53.5 | 55.0 | 47.8 | 49.1 |
| | -5.5 | -18.4 | -7.2 | 2.7 | 18.6 | -2.7 | -2.8 | | | | | | | |
| O & M | 104,102 | 100,991 | 92,857 | 81,506 | 74,179 | | | 14.6 | 14.0 | 11.9 | 10.8 | 10.4 | 12.3 | 17.3 |
| | 3.1 | 8.8 | 13.9 | 9.9 | 13.1 | 9.7 | 8.7 | | | | | | | |
| DEPR | 67,286 | 63,691 | 57,685 | 42,722 | 40,526 | | | 9.4 | 8.8 | 7.4 | 5.7 | 5.7 | 7.4 | 5.9 |
| | 5.6 | 10.4 | 35.0 | 5.4 | 7.2 | 12.2 | 10.0 | | | | | | | |
| CURR FIT | 37,428 | 34,482 | 19,169 | 13,468 | 9,531 | | | 5.2 | 4.8 | 2.5 | 1.8 | 1.3 | 3.1 | 2.2 |
| DEF TAX | 24,845 | 37,469 | 41,902 | 35,902 | 35,275 | | | 3.5 | 5.2 | 5.4 | 4.8 | 4.9 | 4.7 | 2.8 |
| ITC | -4,963 | -3,645 | 1,218 | 14,099 | 12,023 | | | -0.7 | -0.5 | 0.2 | 1.9 | 1.7 | 0.5 | 1.3 |
| FIT | 57,310 | 68,306 | 62,289 | 63,469 | 56,829 | | | 8.0 | 9.4 | 8.0 | 8.4 | 8.0 | 8.4 | 6.3 |
| | -16.1 | 9.7 | -1.9 | 11.7 | 21.7 | 4.2 | -0.6 | | | | | | | |
| OTH TAX | 40,523 | 39,728 | 36,924 | 28,916 | 26,071 | | | 5.7 | 5.5 | 4.7 | 3.8 | 3.7 | 4.7 | 5.0 |
| | 2.0 | 7.6 | 27.7 | 10.9 | 13.6 | 12.0 | 8.1 | | | | | | | |
| OPER INC | 156,691 | 144,993 | 155,321 | 134,187 | 123,344 | | | 21.9 | 20.0 | 19.9 | 17.8 | 17.3 | 19.4 | 16.3 |
| | 8.1 | -6.6 | 15.7 | 8.8 | 11.7 | 7.2 | 2.9 | | | | | | | |
| AFC | 1,480 | 12,219 | 33,484 | 52,488 | 37,207 | | | 0.2 | 1.7 | 4.3 | 7.0 | 5.2 | 3.7 | 8.1 |
| | -87.9 | -63.5 | -36.2 | 41.1 | 113.1 | -39.0 | 24.4 | | | | | | | |
| OTH INC | 4,278 | 2,287 | 821 | 1,889 | 4,557 | | | 0.6 | 0.3 | 0.1 | 0.3 | 0.6 | 0.4 | 0.1 |
| INTEREST | 60,271 | 62,376 | 73,195 | 71,542 | 70,547 | | | 8.4 | 8.6 | 9.4 | 9.5 | 9.9 | 9.2 | 9.7 |
| | -3.4 | -14.8 | 2.3 | 1.4 | 16.4 | -0.1 | 9.8 | | | | | | | |
| NET INCOME | 102,178 | 97,123 | 116,431 | 117,022 | 94,561 | | | 14.3 | 13.4 | 14.9 | 15.5 | 13.2 | 14.3 | 14.9 |
| | 5.2 | -16.6 | -0.5 | 23.8 | 27.9 | 6.7 | 11.4 | | | | | | | |
| PREF DIV | 7,880 | 8,804 | 12,056 | 12,692 | 9,503 | | | 1.1 | 1.2 | 1.5 | 1.7 | 1.3 | 1.4 | 1.7 |
| | -10.5 | -27.0 | -5.0 | 33.6 | 7.4 | -2.3 | 10.4 | | | | | | | |
| INC TO COM | 94,298 | 88,319 | 104,375 | 104,330 | 85,058 | | | 13.2 | 12.2 | 13.4 | 13.8 | 11.9 | 12.9 | 13.2 |
| | 6.8 | -15.4 | 0.0 | 22.7 | 30.6 | 7.7 | 11.6 | | | | | | | |
| COMMON DIV | 80,000 | 91,137 | 80,630 | 53,249 | 48,190 | | | 11.2 | 12.6 | 10.3 | 7.1 | 6.8 | 9.6 | 8.4 |
| | -12.2 | 13.0 | 51.4 | 10.5 | 26.2 | 15.9 | 9.0 | | | | | | | |
| INC TO RE | 14,298 | -2,818 | 23,745 | 51,081 | 36,868 | | | 2.0 | -0.4 | 3.0 | 6.8 | 5.2 | 3.3 | 4.9 |

TEXAS PUC - COMPANY ANALYSIS REPORT
SOUTHWESTERN ELECTRIC POWER CO (SWP)
FOR THE FIVE YEARS ENDED 1987

## BALANCE SHEET ANALYSIS

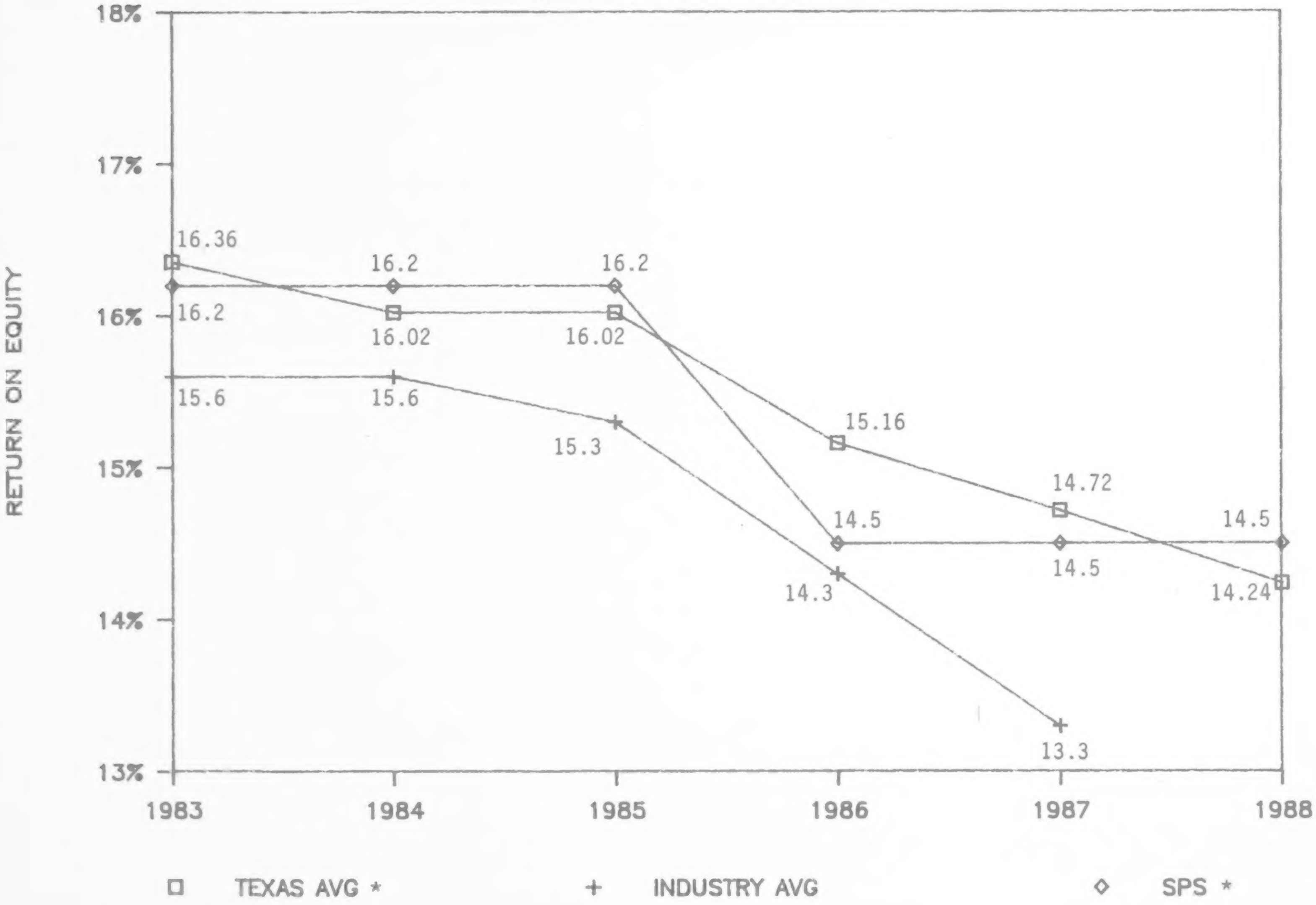
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 2,304,418 | 2,201,237 | 1,909,362 | 1,429,340 | 1,360,519 | | | 118.8 | 116.7 | 102.7 | 76.6 | 80.6 | 99.1 | 73.9 |
| CWIP & OTH | 25,767 | 23,383 | 262,930 | 677,101 | 498,411 | | | 1.3 | 1.2 | 14.1 | 36.3 | 29.5 | 16.5 | 35.5 |
| TOTAL PLANT | 2,330,185 | 2,224,620 | 2,172,292 | 2,106,441 | 1,858,930 | | | 120.2 | 117.9 | 116.9 | 112.9 | 110.2 | 115.6 | 109.4 |
| ACCUM DEPR | 569,169 | 486,157 | 426,171 | 375,428 | 336,170 | | | 29.4 | 25.8 | 22.9 | 20.1 | 19.9 | 23.6 | 19.0 |
| NET PLANT | 1,761,016 | 1,738,463 | 1,746,121 | 1,731,013 | 1,522,760 | | | 90.8 | 92.2 | 93.9 | 92.8 | 90.2 | 92.0 | 90.4 |
| | 1.3 | -0.4 | 0.9 | 13.7 | 14.8 | 5.8 | 10.4 | | | | | | | |
| CASH & INV | 28,323 | 25,167 | 460 | 430 | 24,602 | | | 1.5 | 1.3 | 0.0 | 0.0 | 1.5 | 0.9 | 1.8 |
| ACCTS REC | 11,863 | 11,009 | 20,213 | 68,735 | 82,665 | | | 0.6 | 0.6 | 1.1 | 3.7 | 4.9 | 2.2 | 2.5 |
| INVENTORY | 105,253 | 95,155 | 72,217 | 49,833 | 43,120 | | | 5.4 | 5.0 | 3.9 | 2.7 | 2.6 | 3.9 | 1.6 |
| OTH CURRENT | 11,391 | 11,736 | 11,518 | 9,956 | 7,601 | | | 0.6 | 0.6 | 0.6 | 0.5 | 0.5 | 0.6 | 0.5 |
| TOTAL CURR | 156,830 | 143,067 | 104,408 | 128,954 | 157,988 | | | 8.1 | 7.6 | 5.6 | 6.9 | 9.4 | 7.5 | 6.4 |
| | 9.6 | 37.0 | -19.0 | -18.4 | 3.6 | 0.6 | 10.2 | | | | | | | |
| OTH ASSETS | 21,391 | 4,902 | 8,406 | 6,133 | 6,579 | | | 1.1 | 0.3 | 0.5 | 0.3 | 0.4 | 0.5 | 3.2 |
| TOTAL ASSETS | 1,939,237 | 1,886,432 | 1,858,935 | 1,866,100 | 1,687,327 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 2.8 | 1.5 | -0.4 | 10.6 | 13.3 | 5.4 | 11.3 | | | | | | | |
| COMMON EQ | 636,010 | 621,712 | 624,530 | 600,785 | 549,704 | | | 32.8 | 33.0 | 33.6 | 32.2 | 32.6 | 32.8 | 34.5 |
| | 2.3 | -0.5 | 4.0 | 9.3 | 10.4 | 5.0 | 11.5 | | | | | | | |
| PREF STOCK | 90,300 | 103,008 | 102,919 | 145,497 | 145,497 | | | 4.7 | 5.5 | 5.5 | 7.8 | 8.6 | 6.4 | 7.3 |
| | -12.3 | 0.1 | -29.3 | 0.0 | 37.6 | -3.1 | 10.1 | | | | | | | |
| LT DEBT | 631,680 | 602,276 | 623,867 | 637,404 | 504,456 | | | 32.6 | 31.9 | 33.6 | 34.2 | 29.9 | 32.4 | 35.9 |
| | 4.9 | -3.5 | -2.1 | 26.4 | -2.1 | 4.2 | 10.5 | | | | | | | |
| TOTAL CAP | 1,357,990 | 1,326,996 | 1,351,316 | 1,383,686 | 1,199,657 | | | 70.0 | 70.3 | 72.7 | 74.1 | 71.1 | 71.7 | 77.7 |
| | 2.3 | -1.8 | -2.3 | 15.3 | 7.2 | 4.0 | 10.9 | | | | | | | |
| ST DEBT | 2,275 | 10,170 | 3,617 | 23,461 | 52,723 | | | 0.1 | 0.5 | 0.2 | 1.3 | 3.1 | 1.0 | 1.7 |
| OTH CURRENT | 115,399 | 115,689 | 103,418 | 107,070 | 134,120 | | | 6.0 | 6.1 | 5.6 | 5.7 | 7.9 | 6.3 | 6.5 |
| TOTAL CURR | 117,674 | 125,859 | 107,035 | 130,531 | 186,843 | | | 6.1 | 6.7 | 5.8 | 7.0 | 11.1 | 7.3 | 8.3 |
| | -6.5 | 17.6 | -18.0 | -30.1 | 68.4 | 1.2 | 9.4 | | | | | | | |
| ACC DEF TAX | 336,075 | 310,744 | 274,106 | 226,623 | 189,666 | | | 17.3 | 16.5 | 14.7 | 12.1 | 11.2 | 14.4 | 8.0 |
| | 8.2 | 13.4 | 21.0 | 19.5 | 18.2 | 15.9 | 15.6 | | | | | | | |
| ACC ITC | 117,870 | 122,833 | 126,478 | 125,260 | 111,161 | | | 6.1 | 6.5 | 6.8 | 6.7 | 6.6 | 6.5 | 5.3 |
| | -4.0 | -2.9 | 1.0 | 12.7 | 12.1 | 3.5 | 9.9 | | | | | | | |
| OTH LIAB | 9,628 | 0 | 0 | 0 | 0 | | | 0.5 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.7 |
| LIAB AND EQ | 1,939,237 | 1,886,432 | 1,858,935 | 1,866,100 | 1,687,327 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section VII - Southwestern Public Service Company

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
7. Ratio of AFUDC to Income to Common 1983-1987
8. CWIP as a Percentage of Net Plant 1983-1987
9. Total Megawatt Hour Sales 1983-1987
10. Megawatt Peak Demand 1983-1987
11. Fuel Mix 1983-1987
12. Operating Data 1983-1987
13. Income Statement Analysis 1983-1987
14. Balance Sheet Analysis 1983-1987

# ALLOWED RETURN ON EQUITY

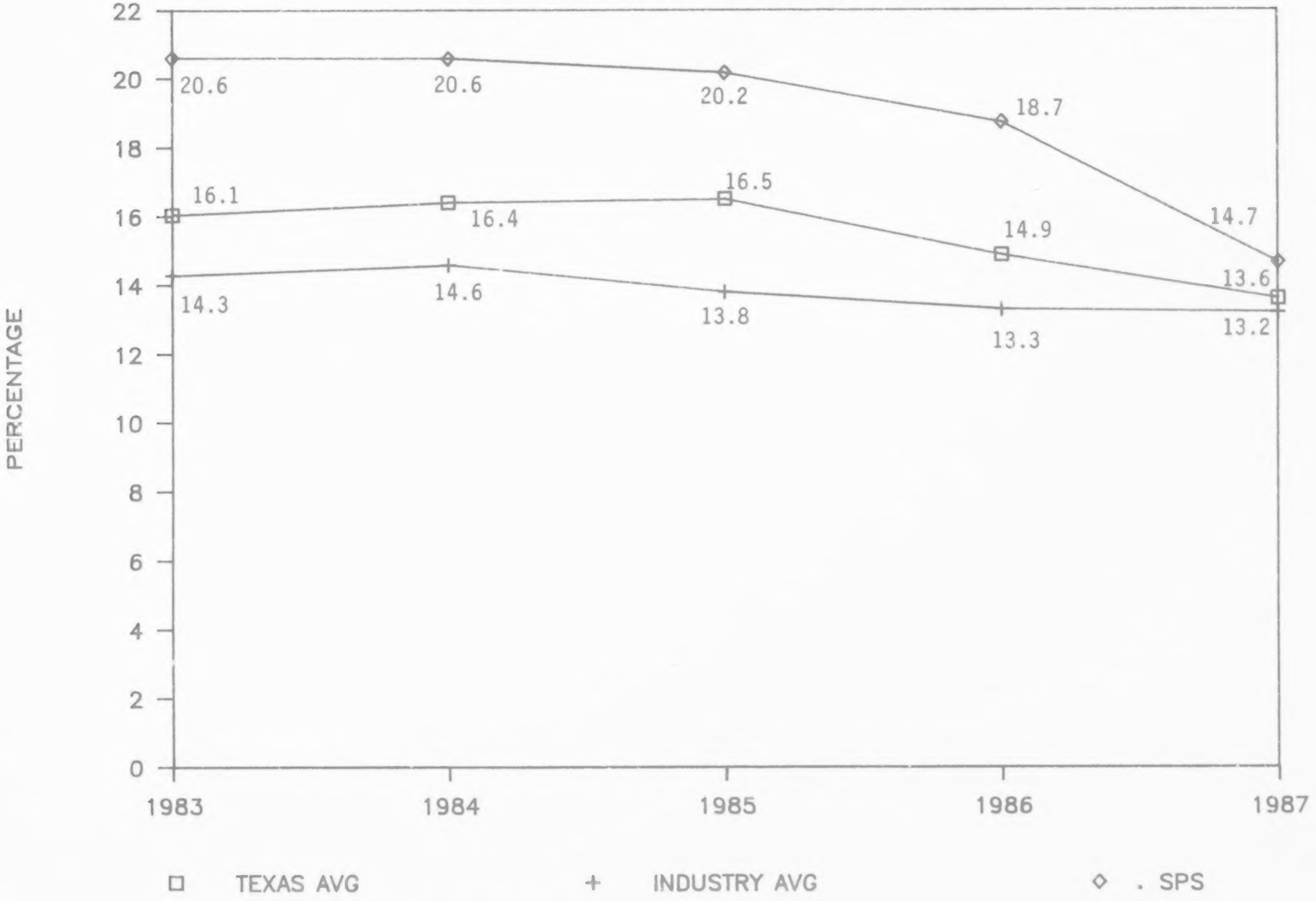
## SOUTHWESTERN PUBLIC SERVICE CO.



*Includes updates through August 1988.

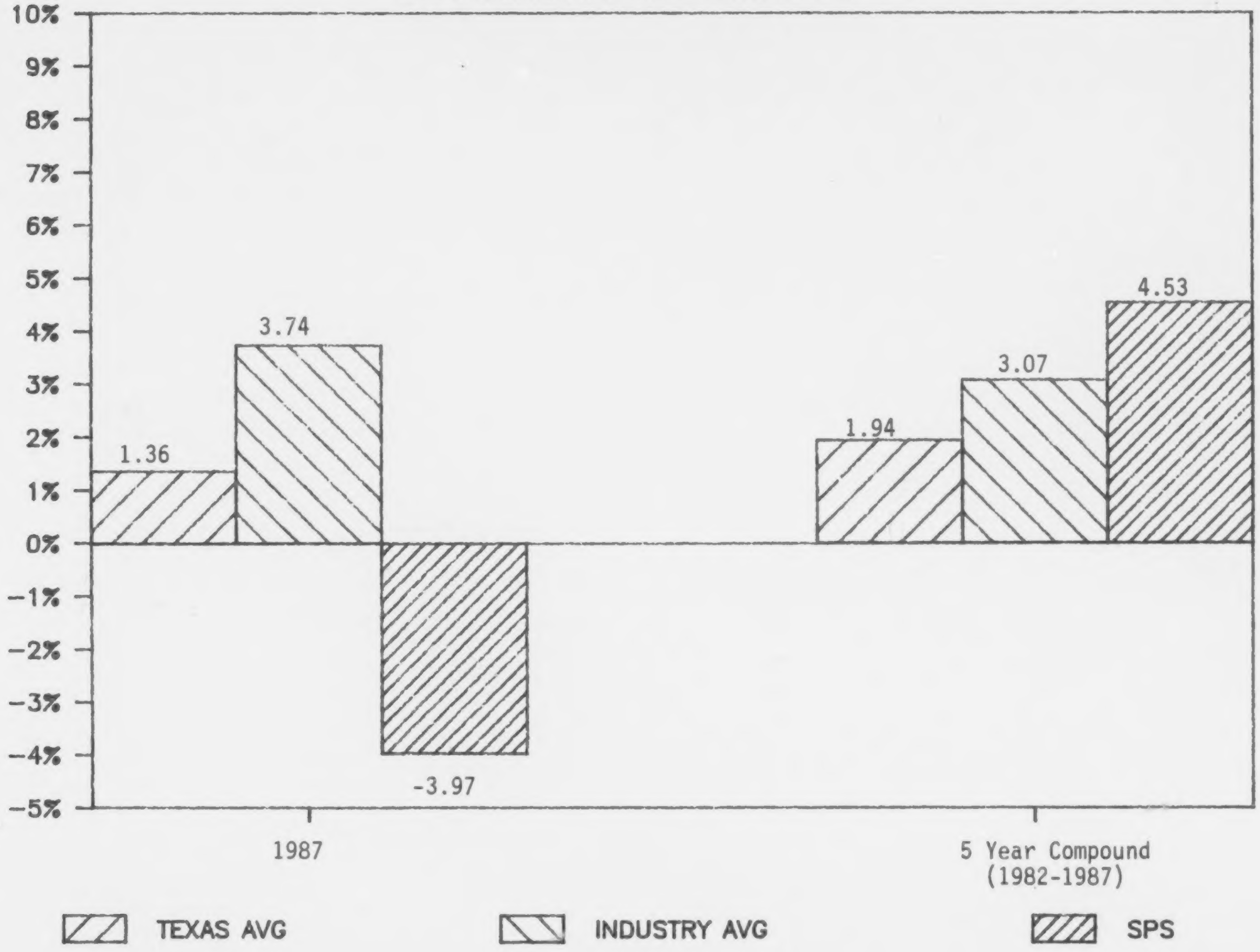
# EARNED RETURN ON EQUITY

SOUTHWESTERN PUBLIC SERVICE CO.



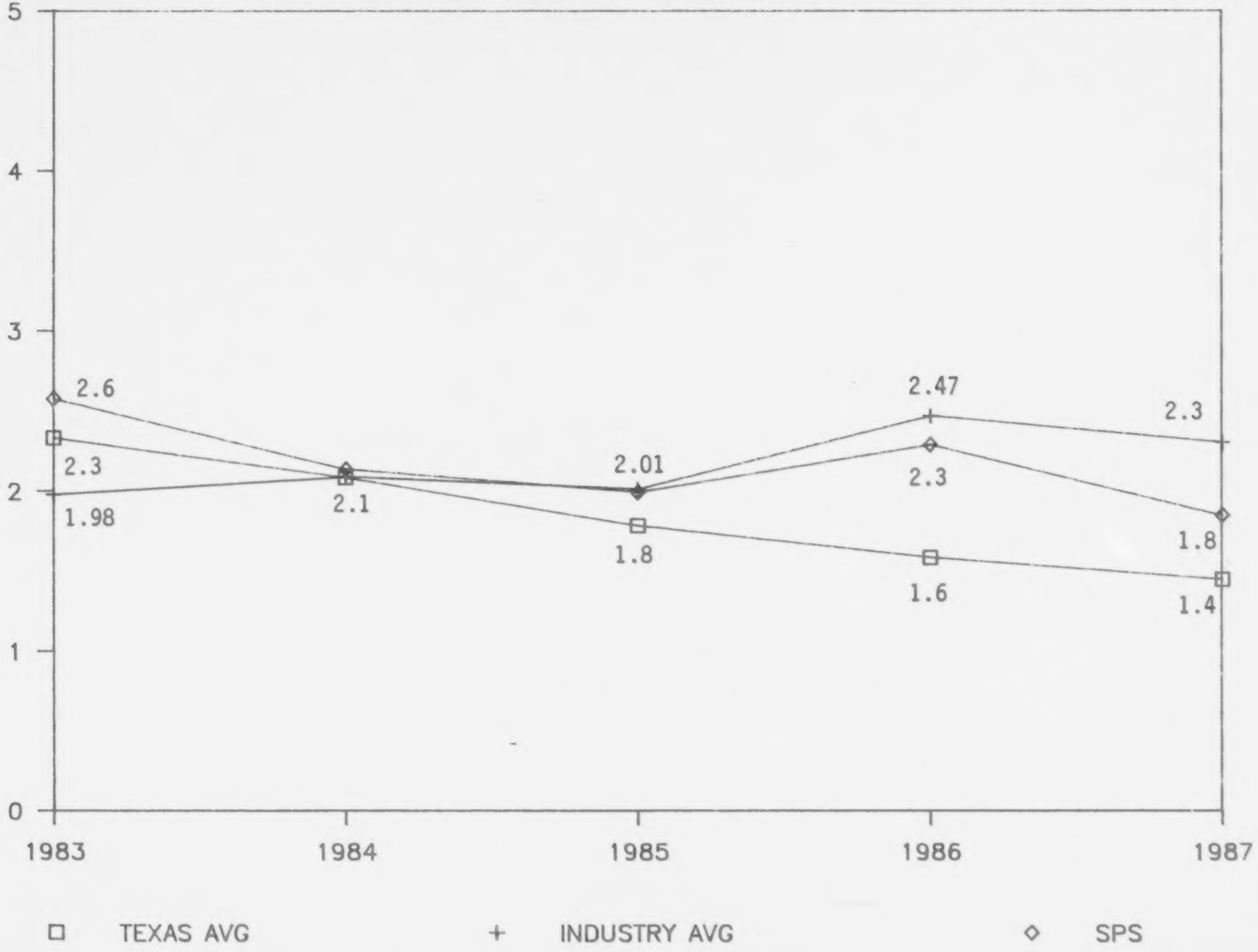
# MWH SALES GROWTH

## SOUTHWESTERN PUBLIC SERVICE CO.



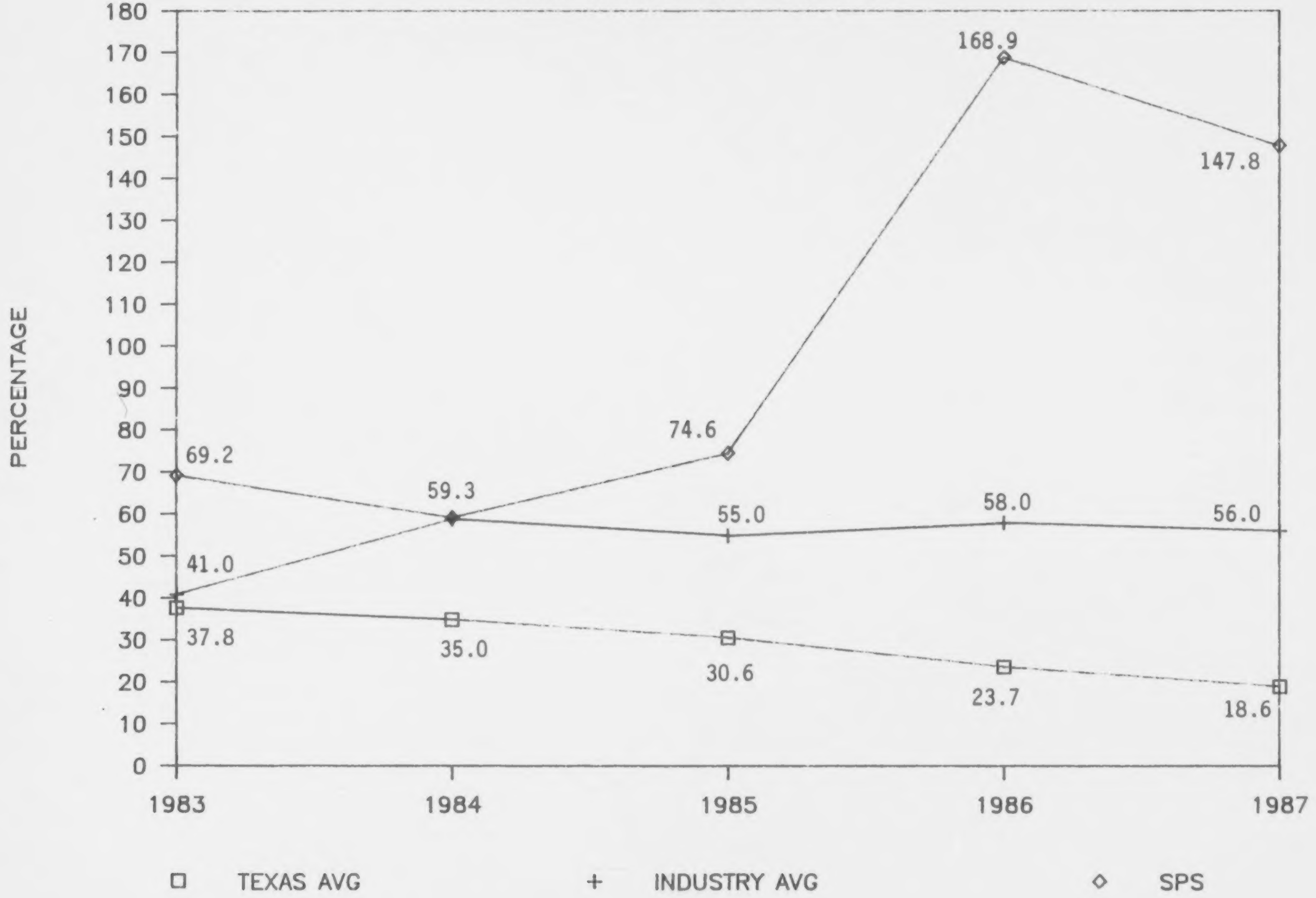
# CASH FLOW COVERAGE OF DIVIDENDS

SOUTHWESTERN PUBLIC SERVICE CO.



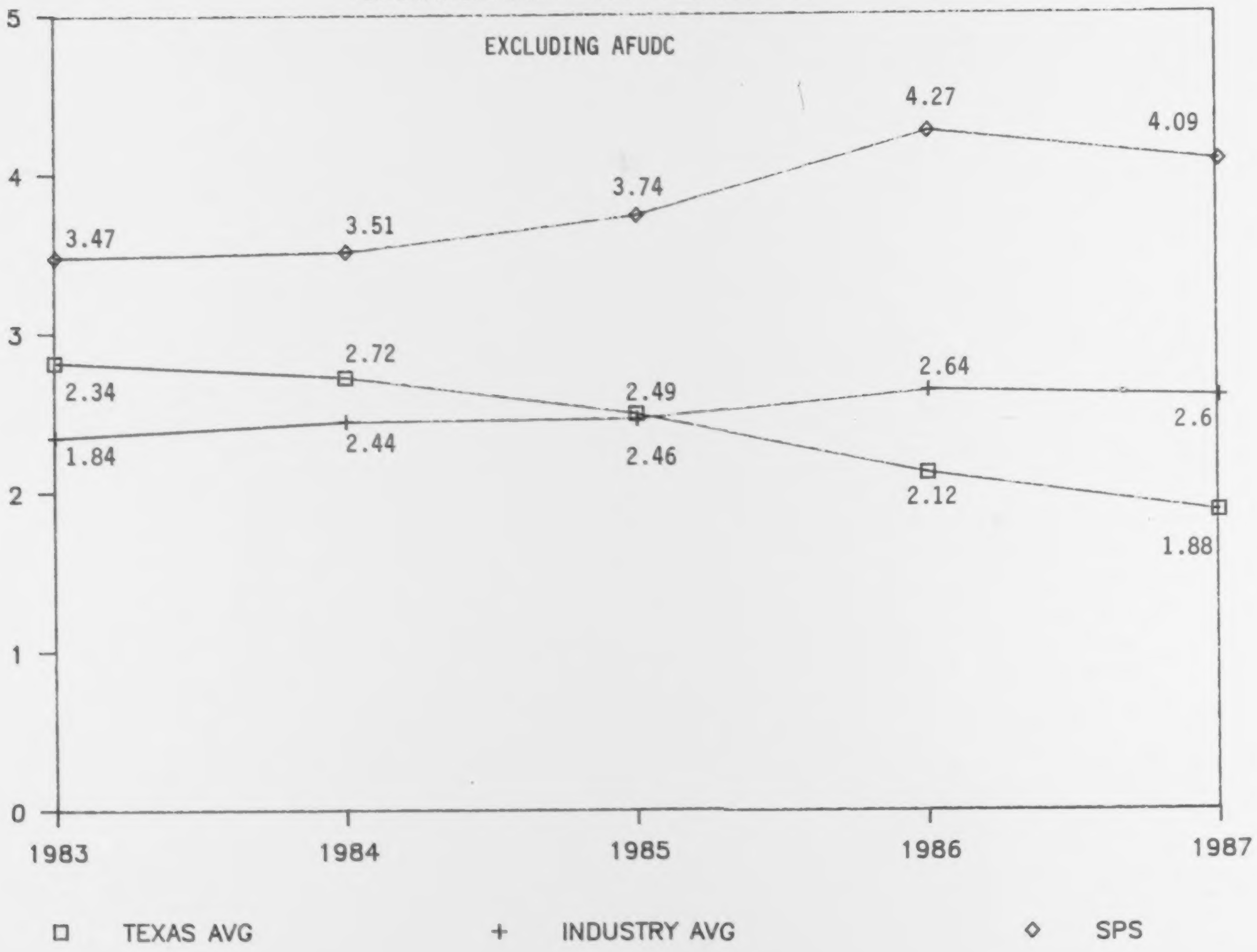
# FUNDS GENERATED INTERNALLY (%)

SOUTHWESTERN PUBLIC SERVICE CO.



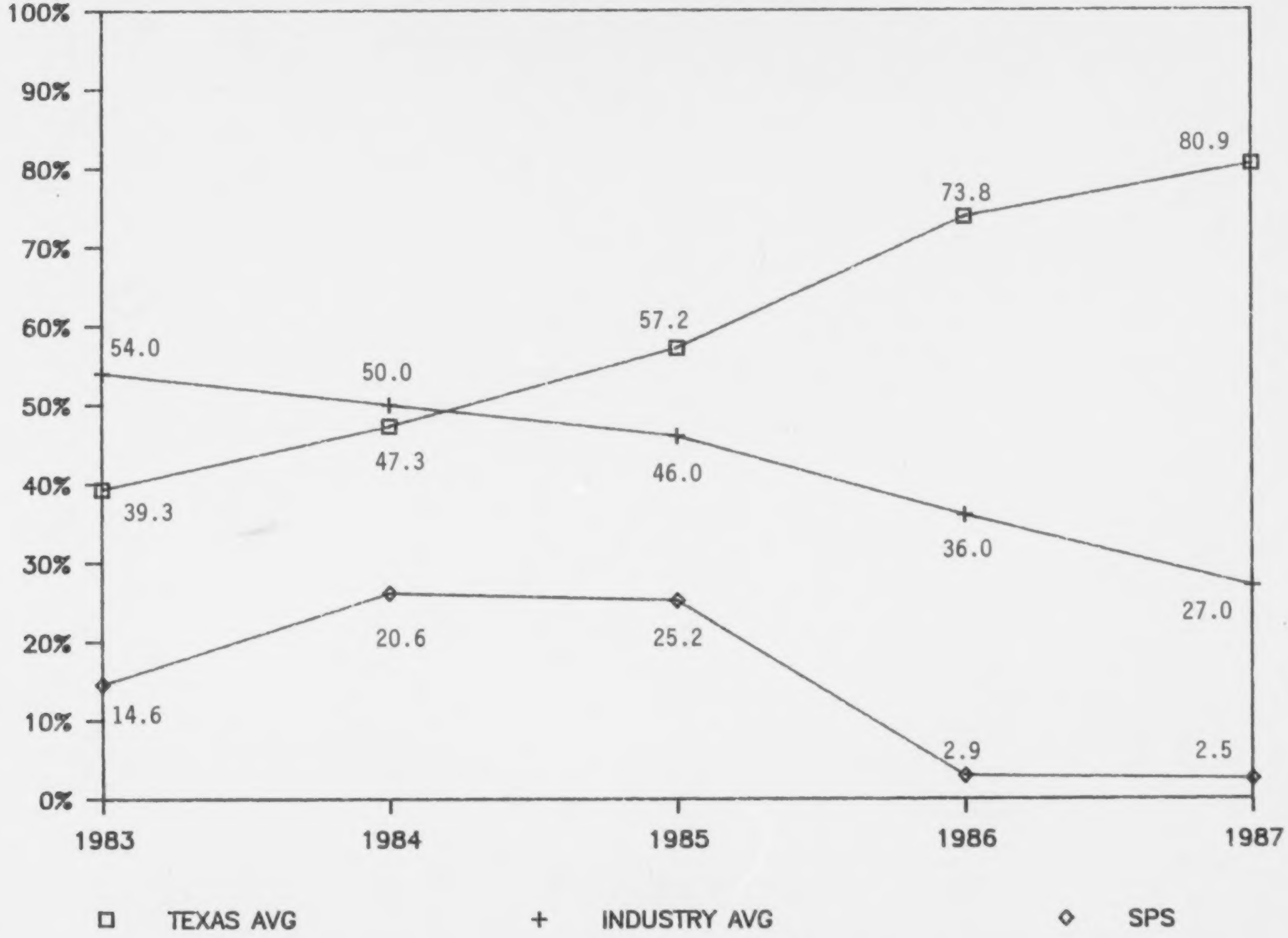
# PRE–TAX INTEREST COVERAGE

## SOUTHWESTERN PUBLIC SERVICE CO.



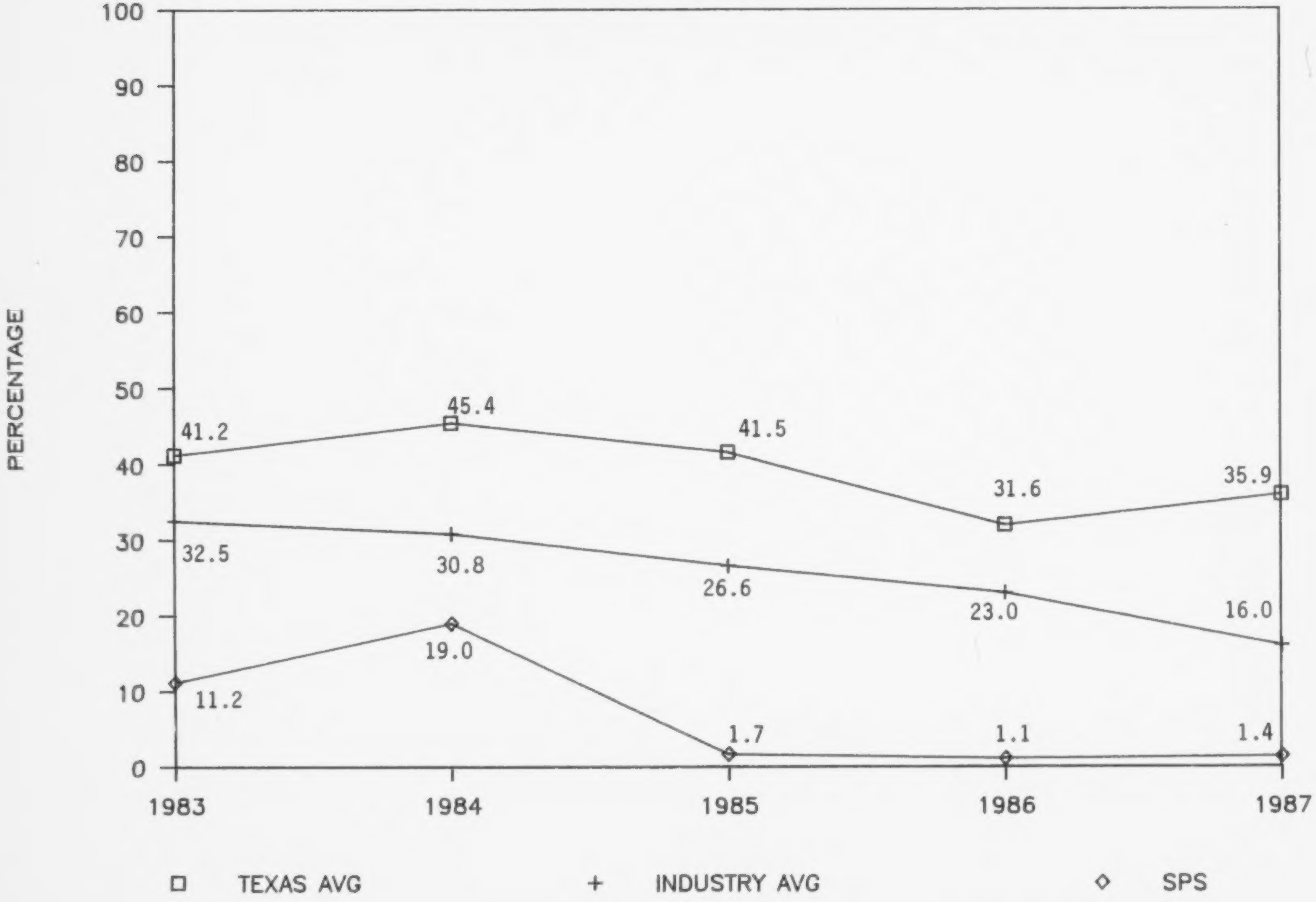
# RATIO OF AFUDC TO INCOME TO COMMON

## SOUTHWESTERN PUBLIC SERVICE CO.



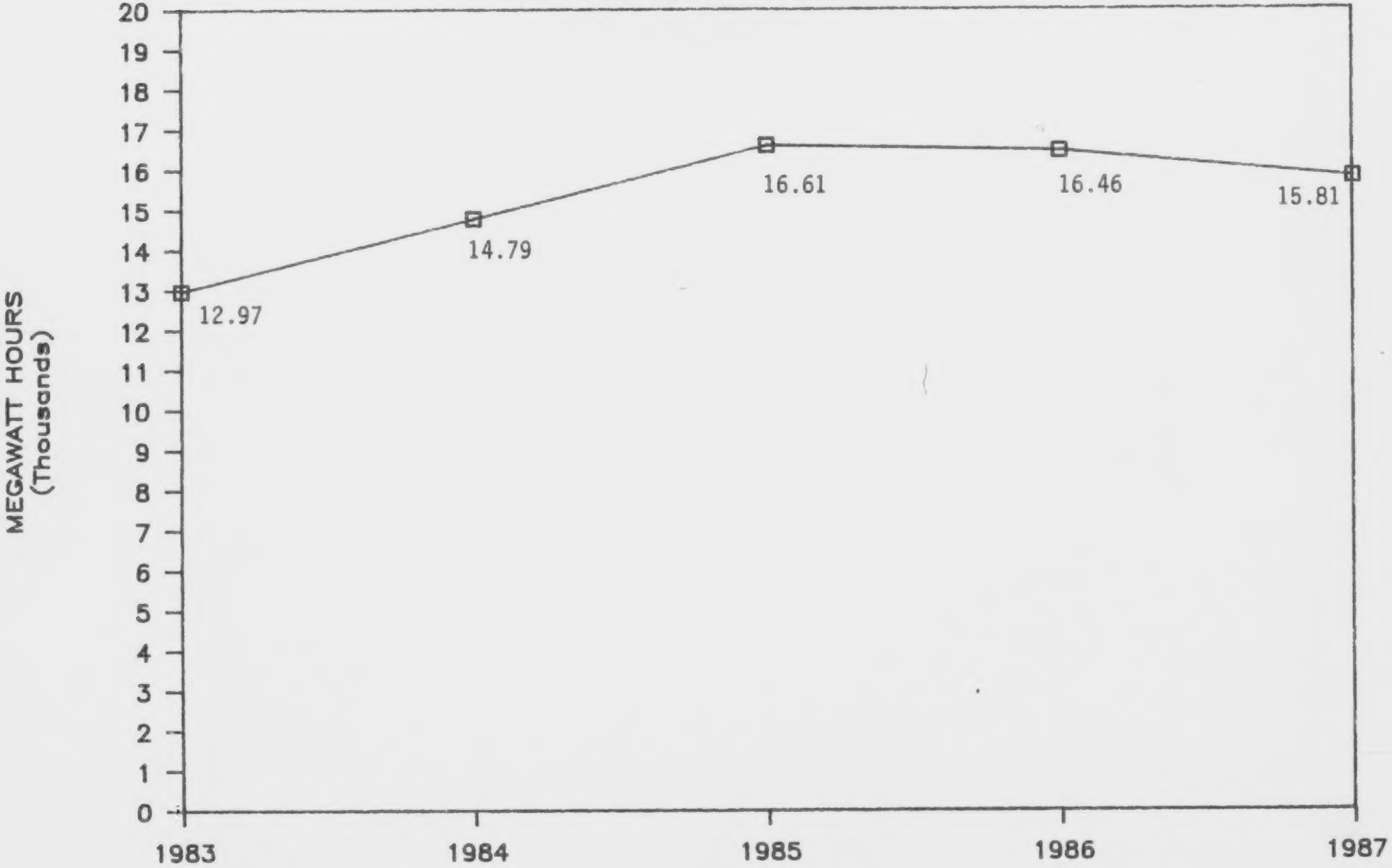
## CWIP AS A % OF NET PLANT

SOUTHWESTERN PUBLIC SERVICE CO.



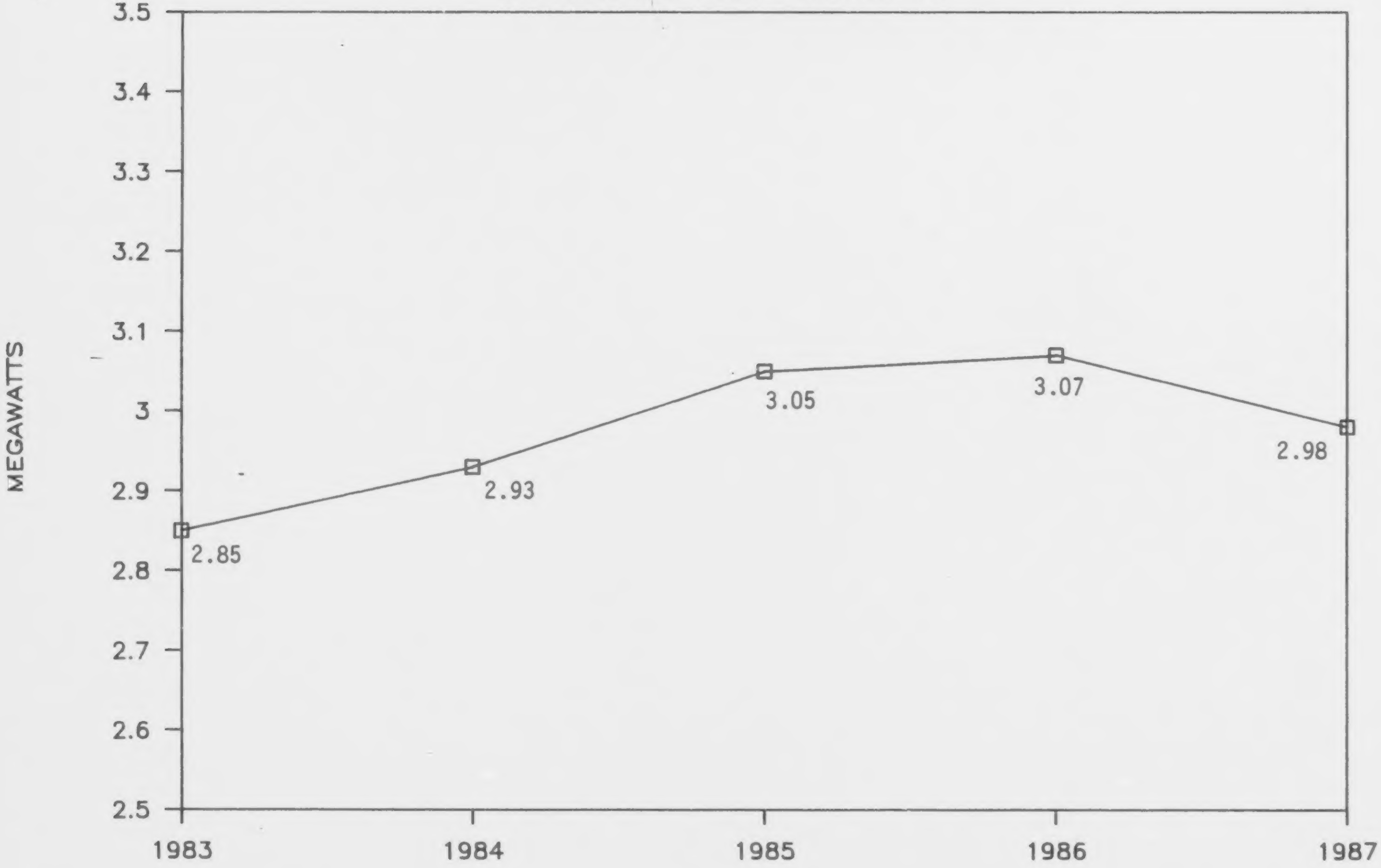
# MWH SALES

## SOUTHWESTERN PUBLIC SERVICE



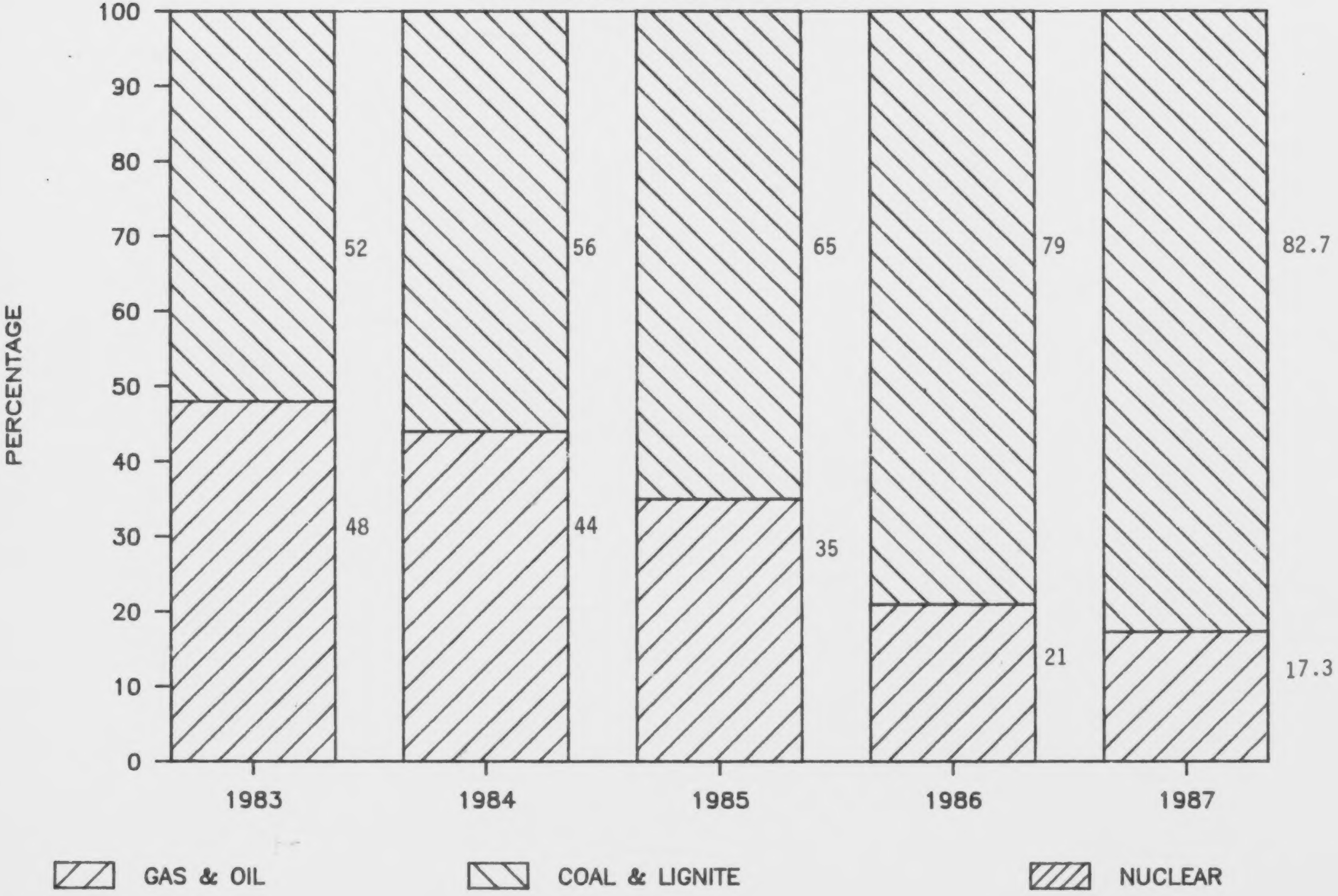
# PEAK DEMAND

## SOUTHWESTERN PUBLIC SERVICE CO.



# FUEL MIX

SOUTHWESTERN PUBLIC SERVICE CO.



# TEXAS PUC - COMPANY ANALYSIS REPORT
# SOUTHWESTERN PUBLIC SERVICE CO (SPS)
## FOR THE FIVE YEARS ENDED 1987

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 15,809 | 16,463 | 16,608 | 14,787 | 12,974 | -4.0 | -0.9 | 12.3 | 14.0 | 2.4 | 4.5 | 1.9 |
| MW PEAK DEMAND | 2,977 | 3,065 | 3,046 | 2,929 | 2,850 | -2.9 | 0.6 | 4.0 | 2.8 | 12.3 | 3.3 | 3.0 |
| RESERVE MARGIN | 43.1 | 39.0 | 37.9 | 26.5 | 34.3 | | | | | | | |
| RES CENTS PER KWH | 7.1 | 7.1 | 7.4 | 7.5 | 7.6 | 0.3 | -4.5 | -1.2 | -1.4 | 14.4 | 1.3 | -0.1 |
| RES KWH PER CUST PER MO | 647 | 639 | 634 | 637 | 597 | 1.2 | 0.8 | -0.4 | 6.8 | 1.2 | 1.9 | 0.5 |
| CONSTR EXP(000 $) | 49,663 | 63,044 | 100,076 | 129,463 | 135,711 | -21.2 | -37.0 | -22.7 | -4.6 | 6.3 | -17.2 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 17.3 | 21.0 | 35.0 | 44.0 | 48.0 | | | | | | | |
| COAL/LIGNITE | 82.7 | 79.0 | 65.0 | 56.0 | 52.0 | | | | | | | |

## FINANCIAL DATA

| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 2.43 | 2.75 | 2.72 | 2.57 | 2.36 | -11.6 | 1.1 | 5.8 | 8.9 | 21.0 | 4.5 | 4.6 |
| DIVIDENDS PER SHARE($) | 2.12 | 2.02 | 1.88 | 1.74 | 1.62 | 5.0 | 7.4 | 8.0 | 7.4 | 8.0 | 7.2 | 3.6 |
| STOCK PRICE($) | 23.63 | 31.00 | 24.13 | 19.13 | 17.50 | -23.8 | 28.5 | 26.1 | 9.3 | 2.9 | 6.8 | 6.7 |
| BOOK VALUE PER SHARE($) | 15.21 | 14.90 | 14.01 | 12.99 | 12.01 | 2.1 | 6.4 | 7.9 | 8.2 | 10.8 | 7.0 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 14.7 | 18.7 | 20.2 | 20.6 | 20.6 | 19.0 | 15.5 |
| AFC TO EARN | 2.5 | 2.9 | 25.2 | 26.2 | 14.6 | 14.3 | 59.7 |
| YIELD | 7.8 | 7.3 | 8.7 | 9.5 | 9.4 | 8.5 | 8.8 |
| PAYOUT RATIO | 87.2 | 73.5 | 69.1 | 67.7 | 68.6 | 73.2 | 60.5 |
| MARKET TO BOOK | 155.4 | 208.1 | 172.2 | 147.3 | 145.7 | 165.7 | 107.1 |
| PE RATIO(X) | 11.2 | 10.0 | 8.0 | 7.1 | 7.3 | 8.7 | 7.0 |
| INTERNAL GEN | 147.8 | 168.9 | 74.6 | 59.3 | 69.2 | 104.0 | 29.1 |
| INT COV INCL AFC(X) | 4.1 | 4.3 | 4.2 | 4.0 | 3.7 | 4.1 | 3.2 |
| INT COV EXCL AFC(X) | 4.1 | 4.3 | 3.7 | 3.5 | 3.5 | 3.8 | 2.4 |
| CASH FLOW COV OF DIV | 1.8 | 2.3 | 2.0 | 2.1 | 2.6 | 2.2 | 1.8 |
| LONG TERM DEBT RATIO | 44.6 | 44.5 | 45.6 | 47.3 | 49.0 | 46.2 | 46.1 |
| COMMON EQUITY RATIO | 47.4 | 47.5 | 45.3 | 43.0 | 40.8 | 44.8 | 44.4 |
| PREFERRED STOCK RATIO | 8.0 | 8.0 | 9.2 | 9.7 | 10.2 | 9.0 | 9.5 |
| EFFECTIVE TAX RATE | 43.3 | 42.3 | 37.1 | 36.1 | 22.5 | 36.3 | 30.2 |
| BOND RATING | Aa2/AA | Aa2/AA | Aa2/AA | Aa2/AA | Aa2/AA | | |
| PCT TPUC JURIS SALES | 71.6 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
SOUTHWESTERN PUBLIC SERVICE CO (SPS)
FOR THE FIVE YEARS ENDED 1987

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 771,609 | 808,257 | 831,804 | 806,484 | 725,944 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -4.5 | -2.8 | 3.1 | 11.1 | 23.8 | 5.6 | 1.5 | | | | | | | |
| FUEL & PP | 369,059 | 395,898 | 434,287 | 433,524 | 397,637 | | | 47.8 | 49.0 | 52.2 | 53.8 | 54.8 | 51.5 | 49.1 |
| | -6.8 | -8.8 | 0.2 | 9.0 | 15.3 | 1.4 | -2.8 | | | | | | | |
| O & M | 96,354 | 101,542 | 101,462 | 99,092 | 96,964 | | | 12.5 | 12.6 | 12.2 | 12.3 | 13.4 | 12.6 | 17.3 |
| | -5.1 | 0.1 | 2.4 | 2.2 | 19.9 | 3.6 | 8.7 | | | | | | | |
| DEPR | 53,727 | 55,547 | 49,528 | 45,497 | 44,034 | | | 7.0 | 6.9 | 6.0 | 5.6 | 6.1 | 6.3 | 5.9 |
| | -3.3 | 12.2 | 8.9 | 3.3 | 30.9 | 9.8 | 10.0 | | | | | | | |
| CURR FIT | 53,560 | 53,071 | 54,528 | 36,950 | 12,832 | | | 6.9 | 6.6 | 6.6 | 4.6 | 1.8 | 5.3 | 2.2 |
| DEF TAX | 18,917 | 24,715 | 10,747 | 14,758 | 22,763 | | | 2.5 | 3.1 | 1.3 | 1.8 | 3.1 | 2.4 | 2.8 |
| ITC | 634 | 2,033 | 8,324 | 10,540 | 13,484 | | | 0.1 | 0.3 | 1.0 | 1.3 | 1.9 | 0.9 | 1.3 |
| FIT | 73,111 | 79,819 | 73,599 | 62,248 | 49,079 | | | 9.5 | 9.9 | 8.8 | 7.7 | 6.8 | 8.5 | 6.3 |
| | -8.4 | 8.5 | 18.2 | 26.8 | 123.2 | 27.2 | -0.6 | | | | | | | |
| OTH TAX | 32,894 | 31,380 | 28,489 | 27,127 | 24,382 | | | 4.3 | 3.9 | 3.4 | 3.4 | 3.4 | 3.7 | 5.0 |
| | 4.8 | 10.1 | 5.0 | 11.3 | 15.6 | 9.3 | 8.1 | | | | | | | |
| OPER INC | 146,464 | 144,071 | 144,439 | 138,996 | 113,848 | | | 19.0 | 17.8 | 17.4 | 17.2 | 15.7 | 17.4 | 16.3 |
| | 1.7 | -0.3 | 3.9 | 22.1 | 35.6 | 11.8 | 2.9 | | | | | | | |
| AFC | 2,237 | 3,147 | 27,343 | 26,143 | 12,490 | | | 0.3 | 0.4 | 3.3 | 3.2 | 1.7 | 1.8 | 8.1 |
| | -28.9 | -88.5 | 4.6 | 109.3 | -60.9 | -41.3 | 24.4 | | | | | | | |
| OTH INC | 2,310 | 31,442 | 5,873 | 1,508 | 21,720 | | | 0.3 | 3.9 | 0.7 | 0.2 | 3.0 | 1.6 | 0.1 |
| INTEREST | 54,321 | 59,841 | 59,893 | 57,794 | 53,168 | | | 7.0 | 7.4 | 7.2 | 7.2 | 7.3 | 7.2 | 9.7 |
| | -9.2 | -0.1 | 3.6 | 8.7 | 16.6 | 3.6 | 9.8 | | | | | | | |
| NET INCOME | 96,690 | 118,819 | 117,762 | 108,853 | 94,890 | | | 12.5 | 14.7 | 14.2 | 13.5 | 13.1 | 13.6 | 14.9 |
| | -18.6 | 0.9 | 8.2 | 14.7 | 28.2 | 5.5 | 11.4 | | | | | | | |
| PREF DIV | 7,576 | 8,951 | 9,076 | 9,076 | 9,070 | | | 1.0 | 1.1 | 1.1 | 1.1 | 1.2 | 1.1 | 1.7 |
| | -15.4 | -1.4 | 0.0 | 0.1 | 0.4 | -3.5 | 10.4 | | | | | | | |
| INC TO COM | 89,114 | 109,868 | 108,686 | 99,777 | 85,820 | | | 11.5 | 13.6 | 13.1 | 12.4 | 11.8 | 12.5 | 13.2 |
| | -18.9 | 1.1 | 8.9 | 16.3 | 32.1 | 6.5 | 11.6 | | | | | | | |
| COMMON DIV | 86,746 | 82,525 | 75,274 | 67,678 | 59,643 | | | 11.2 | 10.2 | 9.0 | 8.4 | 8.2 | 9.4 | 8.4 |
| | 5.1 | 9.6 | 11.2 | 13.5 | 19.1 | 11.6 | 9.0 | | | | | | | |
| INC TO RE | 2,368 | 27,343 | 33,412 | 32,099 | 26,177 | | | 0.3 | 3.4 | 4.0 | 4.0 | 3.6 | 3.1 | 4.9 |

# TEXAS PUC - COMPANY ANALYSIS REPORT
# SOUTHWESTERN PUBLIC SERVICE CO (SPS)
## FOR THE FIVE YEARS ENDED 1987

### BALANCE SHEET ANALYSIS

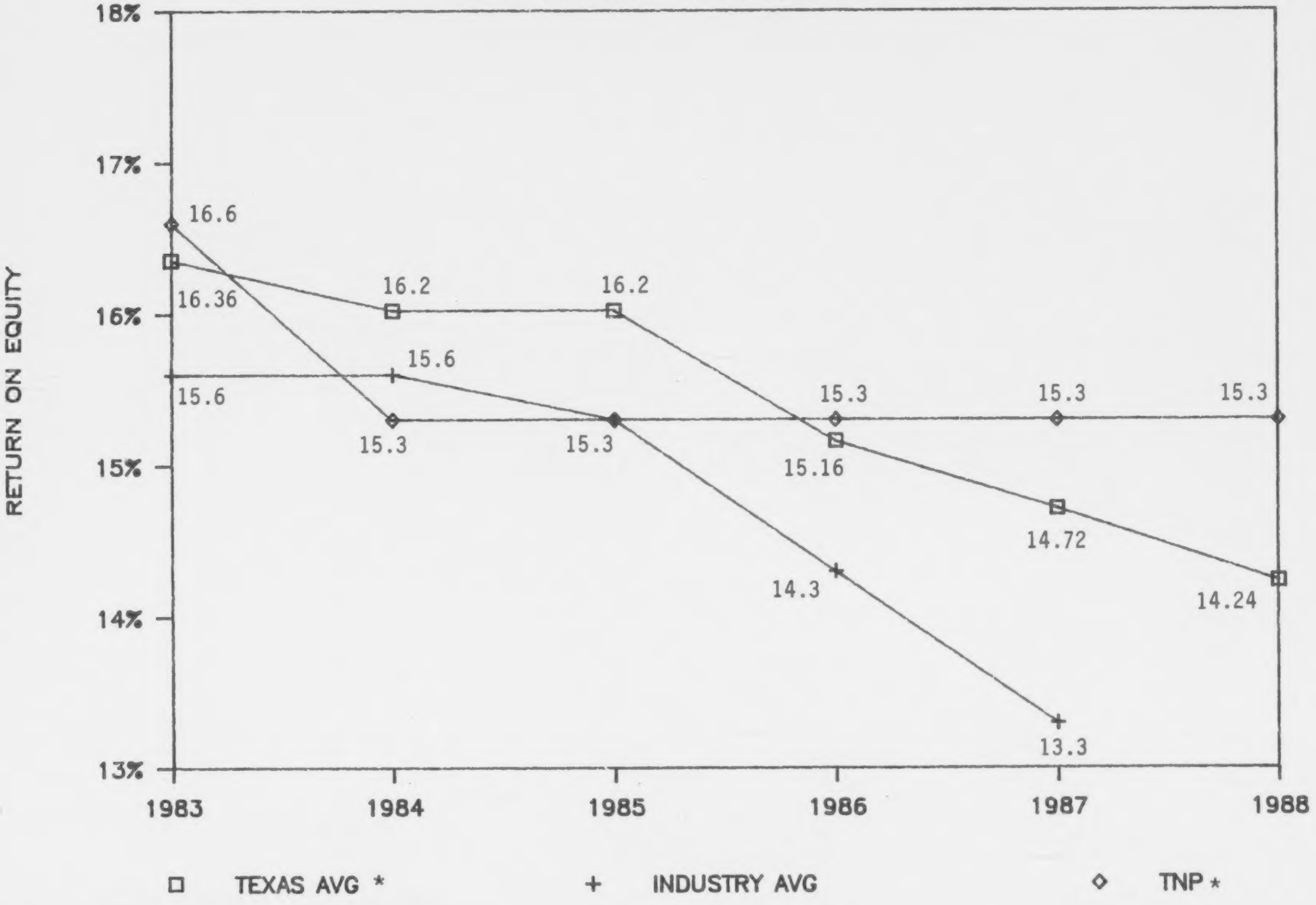
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 1,887,605 | 1,852,388 | 1,801,300 | 1,471,268 | 1,453,965 | | | 115.6 | 113.2 | 112.9 | 99.7 | 105.7 | 109.4 | 73.9 |
| CWIP & OTH | 20,626 | 15,658 | 24,290 | 259,060 | 140,790 | | | 1.3 | 1.0 | 1.5 | 17.6 | 10.2 | 6.3 | 35.5 |
| TOTAL PLANT | 1,908,231 | 1,868,046 | 1,825,590 | 1,730,328 | 1,594,755 | | | 116.8 | 114.2 | 114.4 | 117.3 | 116.0 | 115.7 | 109.4 |
| ACCUM DEPR | 472,501 | 429,439 | 383,718 | 366,396 | 335,621 | | | 28.9 | 26.3 | 24.0 | 24.8 | 24.4 | 25.7 | 19.0 |
| NET PLANT | 1,435,730 | 1,438,607 | 1,441,872 | 1,363,932 | 1,259,134 | | | 87.9 | 87.9 | 90.4 | 92.4 | 91.6 | 90.0 | 90.4 |
| | -0.2 | -0.2 | 5.7 | 8.3 | 11.4 | 4.9 | 10.4 | | | | | | | |
| CASH & INV | 50,884 | 59,580 | 45,127 | 16,099 | 24,552 | | | 3.1 | 3.6 | 2.8 | 1.1 | 1.8 | 2.5 | 1.8 |
| ACCTS REC | 63,069 | 65,773 | 71,792 | 62,990 | 60,803 | | | 3.9 | 4.0 | 4.5 | 4.3 | 4.4 | 4.2 | 2.5 |
| INVENTORY | 7,318 | 5,483 | 4,859 | 4,964 | 3,637 | | | 0.4 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 1.6 |
| OTH CURRENT | 36,242 | 42,347 | 12,754 | 9,906 | 12,059 | | | 2.2 | 2.6 | 0.8 | 0.7 | 0.9 | 1.4 | 0.5 |
| TOTAL CURR | 157,513 | 173,183 | 134,532 | 93,959 | 101,051 | | | 9.6 | 10.6 | 8.4 | 6.4 | 7.3 | 8.5 | 6.4 |
| | -9.0 | 28.7 | 43.2 | -7.0 | 24.7 | 14.2 | 10.2 | | | | | | | |
| OTH ASSETS | 39,884 | 23,957 | 19,263 | 17,617 | 14,942 | | | 2.4 | 1.5 | 1.2 | 1.2 | 1.1 | 1.5 | 3.2 |
| TOTAL ASSETS | 1,633,127 | 1,635,747 | 1,595,667 | 1,475,508 | 1,375,127 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -0.2 | 2.5 | 8.1 | 7.3 | 11.8 | 5.8 | 11.3 | | | | | | | |
| COMMON EQ | 608,960 | 606,592 | 566,303 | 511,211 | 458,118 | | | 37.3 | 37.1 | 35.5 | 34.6 | 33.3 | 35.6 | 34.5 |
| | 0.4 | 7.1 | 10.8 | 11.6 | 22.3 | 10.2 | 11.5 | | | | | | | |
| PREF STOCK | 102,680 | 102,680 | 114,680 | 114,680 | 114,680 | | | 6.3 | 6.3 | 7.2 | 7.8 | 8.3 | 7.2 | 7.3 |
| | 0.0 | -10.5 | 0.0 | 0.0 | 0.2 | -2.1 | 10.1 | | | | | | | |
| LT DEBT | 571,799 | 568,589 | 569,746 | 561,973 | 550,916 | | | 35.0 | 34.8 | 35.7 | 38.1 | 40.1 | 36.7 | 35.9 |
| | 0.6 | -0.2 | 1.4 | 2.0 | 5.2 | 1.8 | 10.5 | | | | | | | |
| TOTAL CAP | 1,283,439 | 1,277,861 | 1,250,729 | 1,187,864 | 1,123,714 | | | 78.6 | 78.1 | 78.4 | 80.5 | 81.7 | 79.5 | 77.7 |
| | 0.4 | 2.2 | 5.3 | 5.7 | 10.9 | 4.8 | 10.9 | | | | | | | |
| ST DEBT | 1,434 | 31,449 | 31,452 | 21,311 | 18,100 | | | 0.1 | 1.9 | 2.0 | 1.4 | 1.3 | 1.3 | 1.7 |
| OTH CURRENT | 136,145 | 145,055 | 148,272 | 122,498 | 115,449 | | | 8.3 | 8.9 | 9.3 | 8.3 | 8.4 | 8.6 | 6.5 |
| TOTAL CURR | 137,579 | 176,504 | 179,724 | 143,809 | 133,549 | | | 8.4 | 10.8 | 11.3 | 9.7 | 9.7 | 10.0 | 8.3 |
| | -22.1 | -1.8 | 25.0 | 7.7 | 14.4 | 3.3 | 9.4 | | | | | | | |
| ACC DEF TAX | 181,026 | 156,360 | 125,746 | 105,053 | 89,066 | | | 11.1 | 9.6 | 7.9 | 7.1 | 6.5 | 8.4 | 8.0 |
| | 15.8 | 24.3 | 19.7 | 17.9 | 41.5 | 23.5 | 15.6 | | | | | | | |
| ACC ITC | 22,533 | 22,291 | 36,795 | 34,827 | 26,720 | | | 1.4 | 1.4 | 2.3 | 2.4 | 1.9 | 1.9 | 5.3 |
| | 1.1 | -39.4 | 5.7 | 30.3 | -25.3 | -8.8 | 9.9 | | | | | | | |
| OTH LIAB | 8,550 | 2,731 | 2,673 | 3,955 | 2,078 | | | 0.5 | 0.2 | 0.2 | 0.3 | 0.2 | 0.3 | 0.7 |
| LIAB AND EQ | 1,633,127 | 1,635,747 | 1,595,667 | 1,475,508 | 1,375,127 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

# Section VIII - Texas-New Mexico Power Company

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
7. Ratio of AFUDC to Income to Common 1983-1987
8. CWIP as a Percentage of Net Plant 1983-1987
9. Total Megawatt Hour Sales 1983-1987
10. Fuel Mix 1983-1987
11. Operating Data 1983-1987
12. Income Statement Analysis 1983-1987
13. Balance Sheet Analysis 1983-1987

# ALLOWED RETURN ON EQUITY

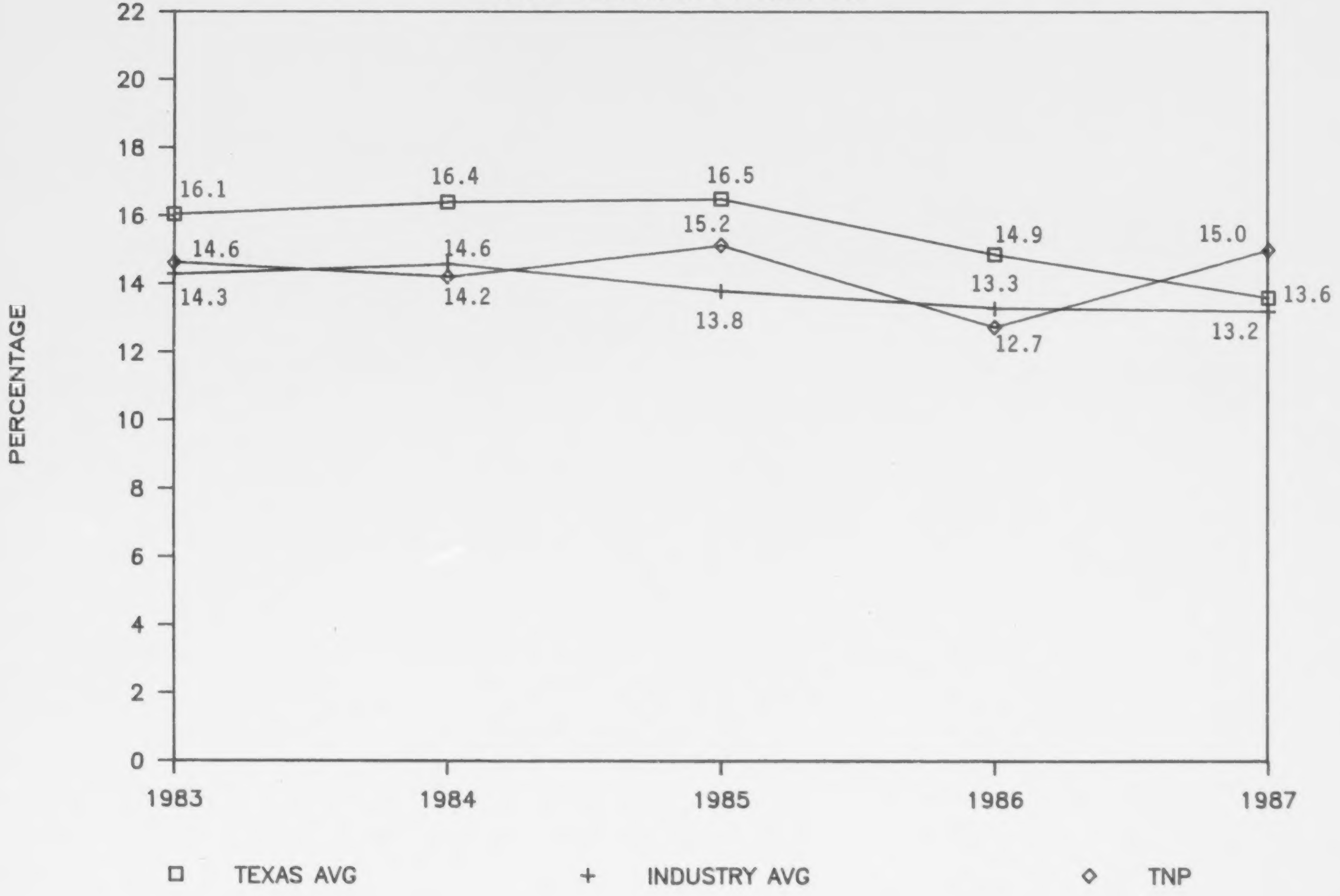
TEXAS—NEW MEXICO POWER CO.



*Includes updates through August 1988.

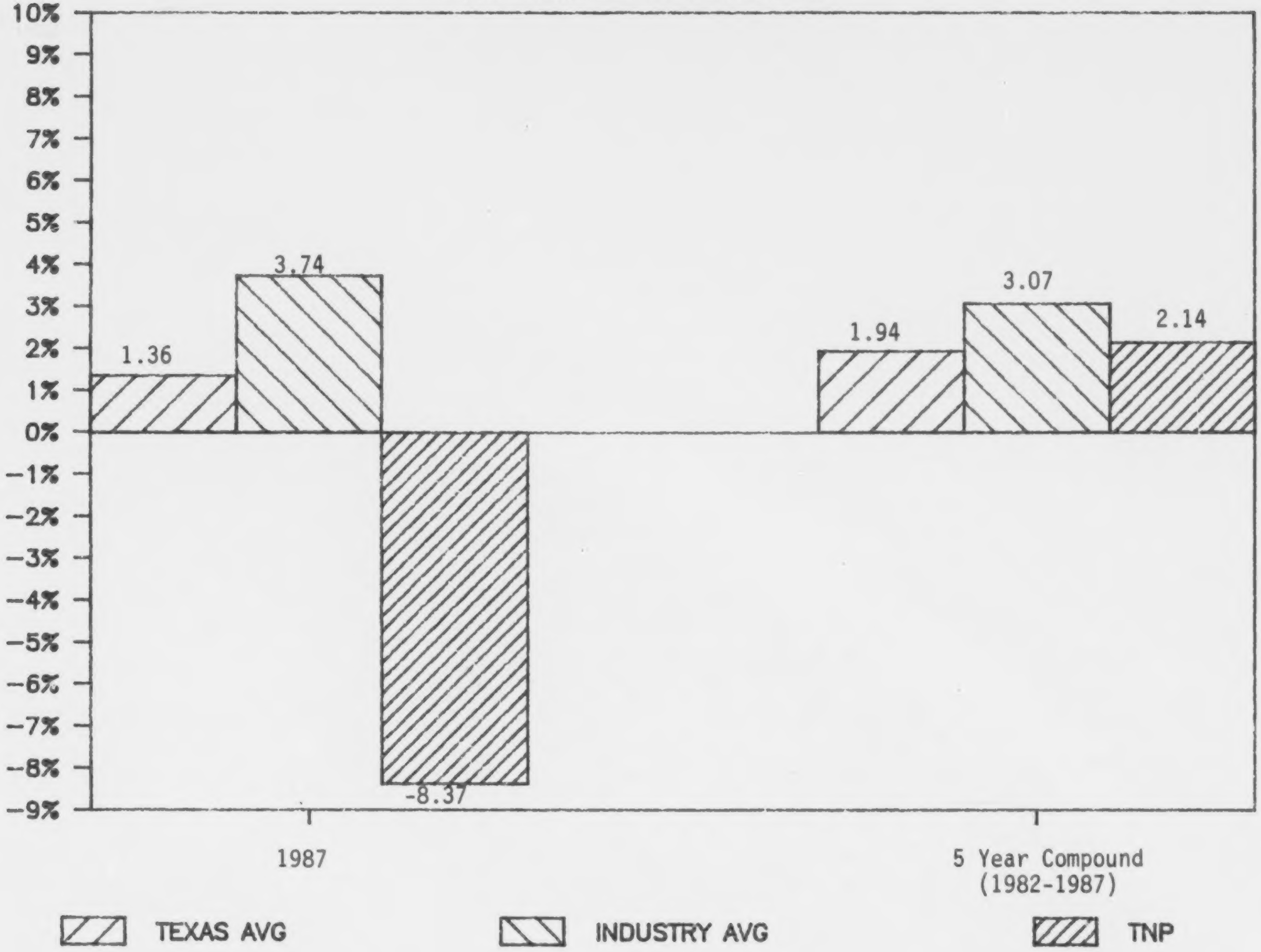
# EARNED RETURN ON EQUITY

TEXAS—NEW MEXICO POWER CO.



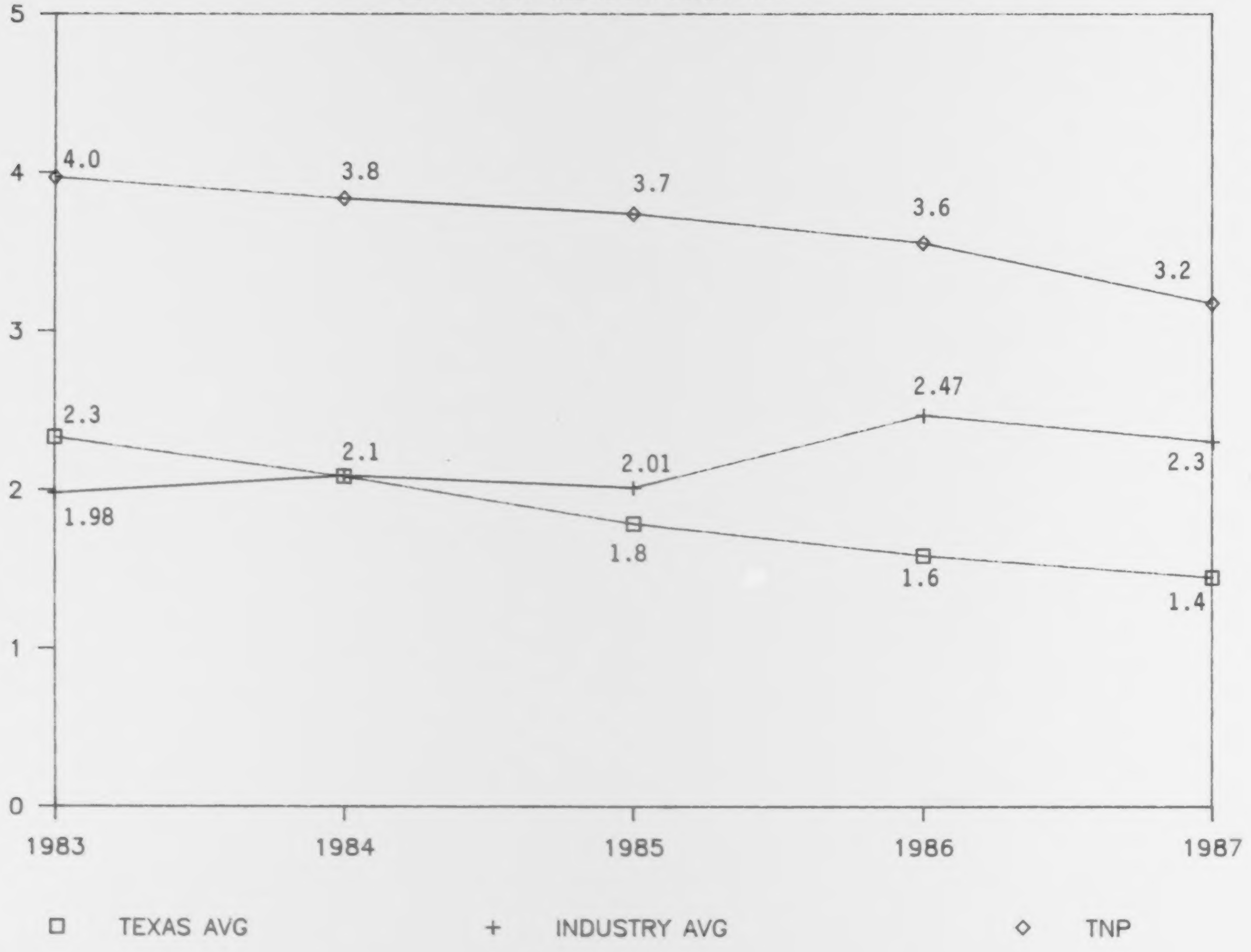
# MWH SALES GROWTH

## TEXAS–NEW MEXICO POWER CO.



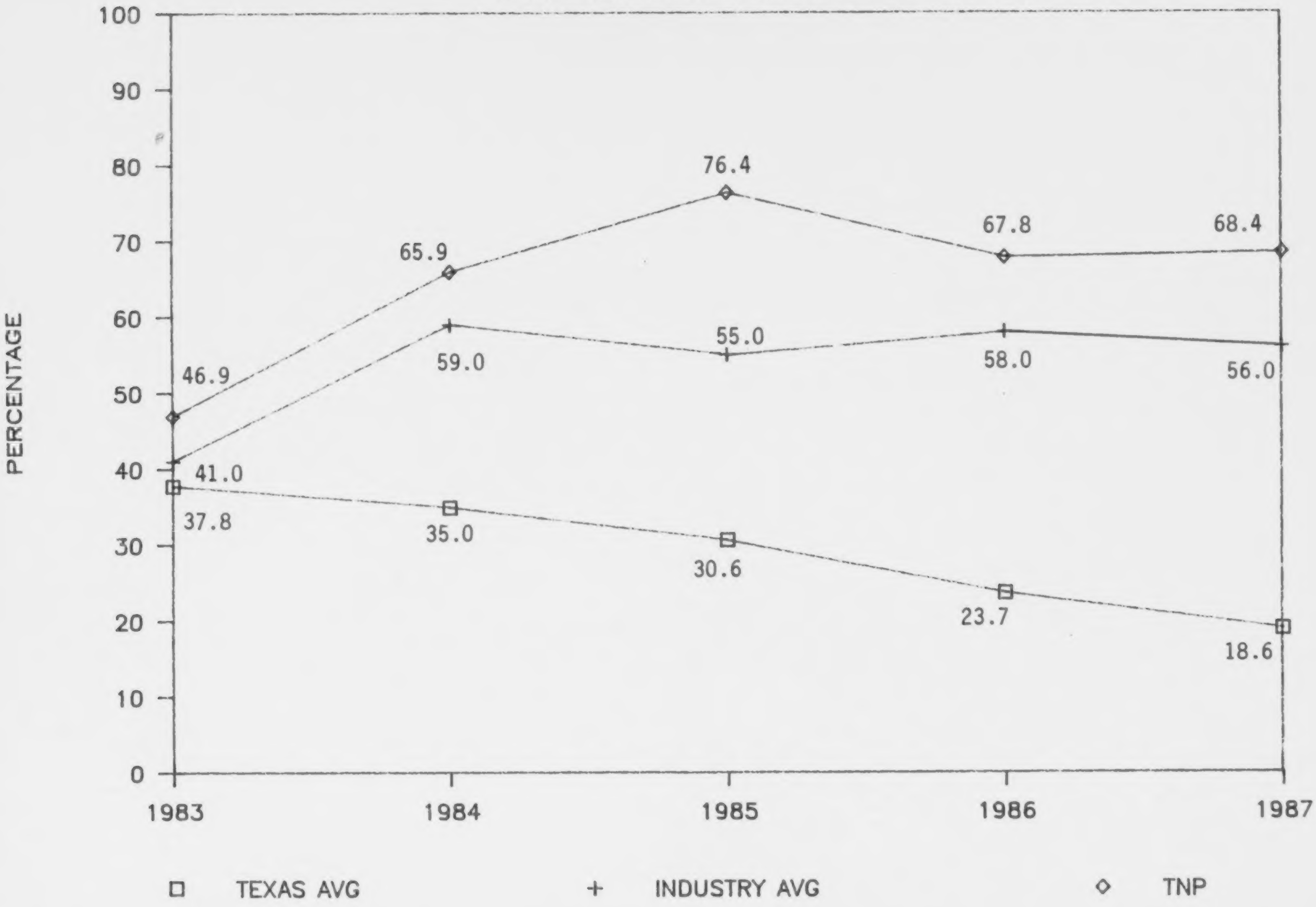
# CASH FLOW COVERAGE OF DIVIDENDS

TEXAS–NEW MEXICO POWER CO.



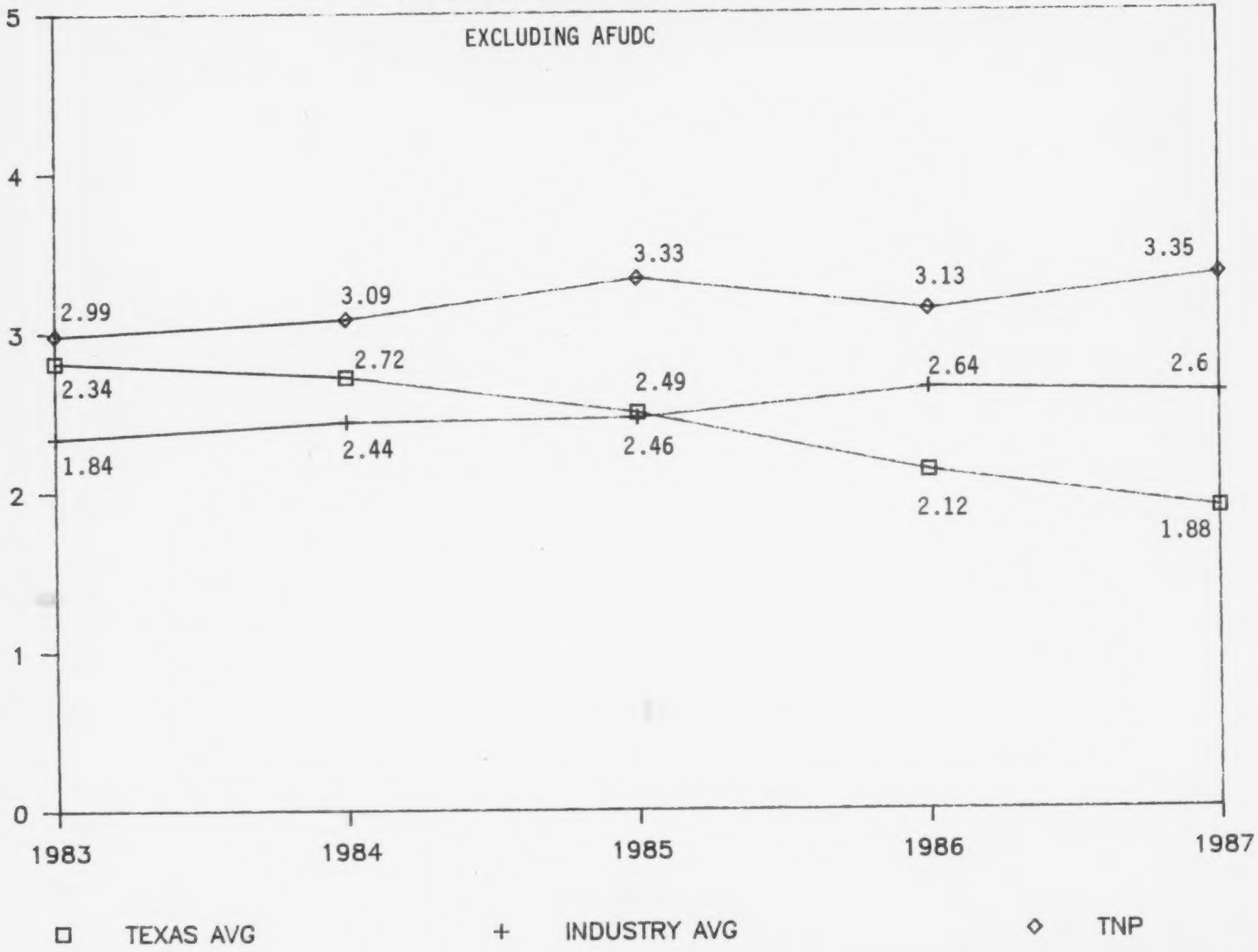
# FUNDS GENERATED INTERNALLY (%)

## TEXAS–NEW MEXICO POWER CO.



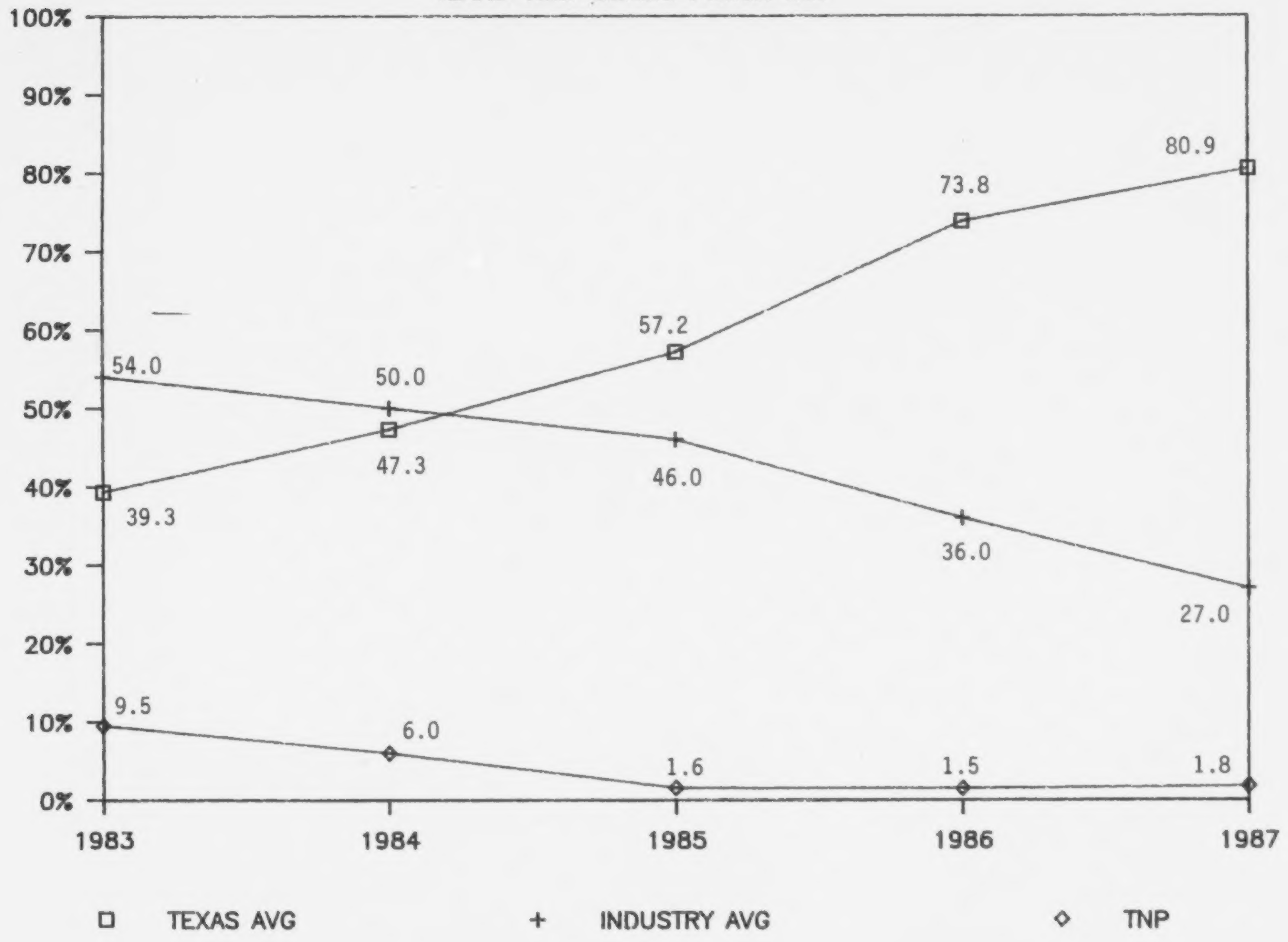
# PRE-TAX INTEREST COVERAGE

TEXAS-NEW MEXICO POWER CO.



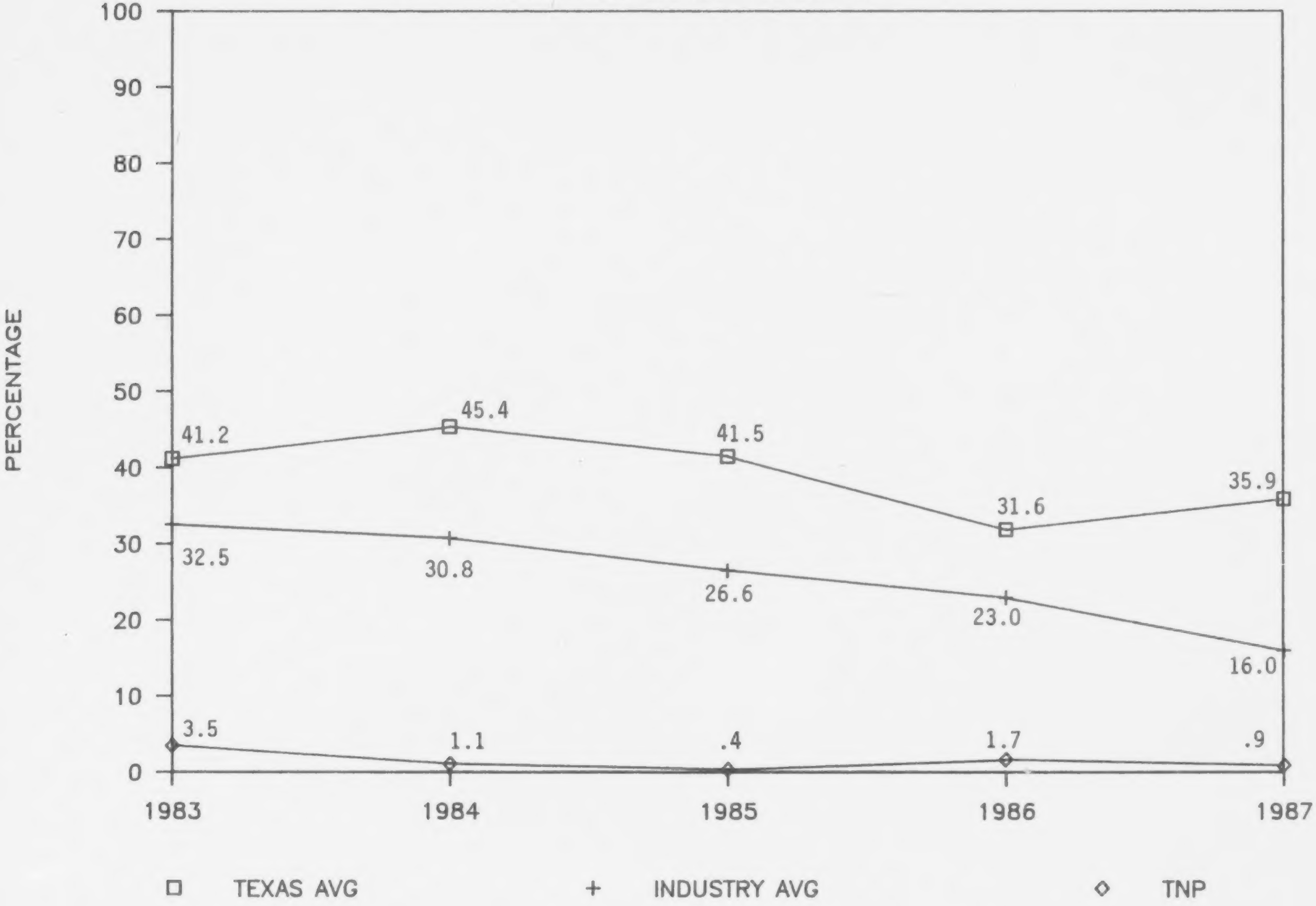
# RATIO OF AFUDC TO INCOME TO COMMON

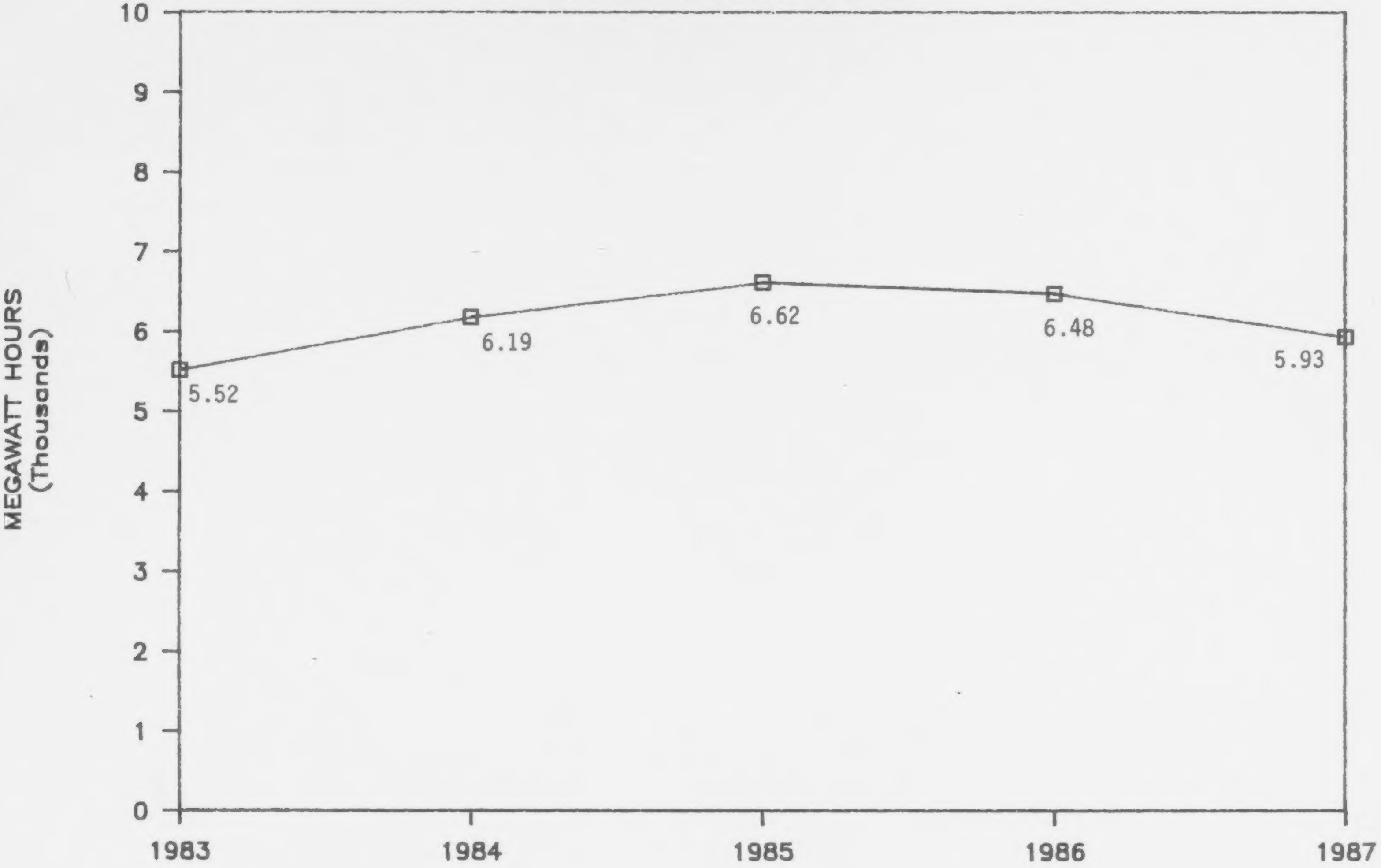
TEXAS–NEW MEXICO POWER CO.



# CWIP AS A % OF NET PLANT

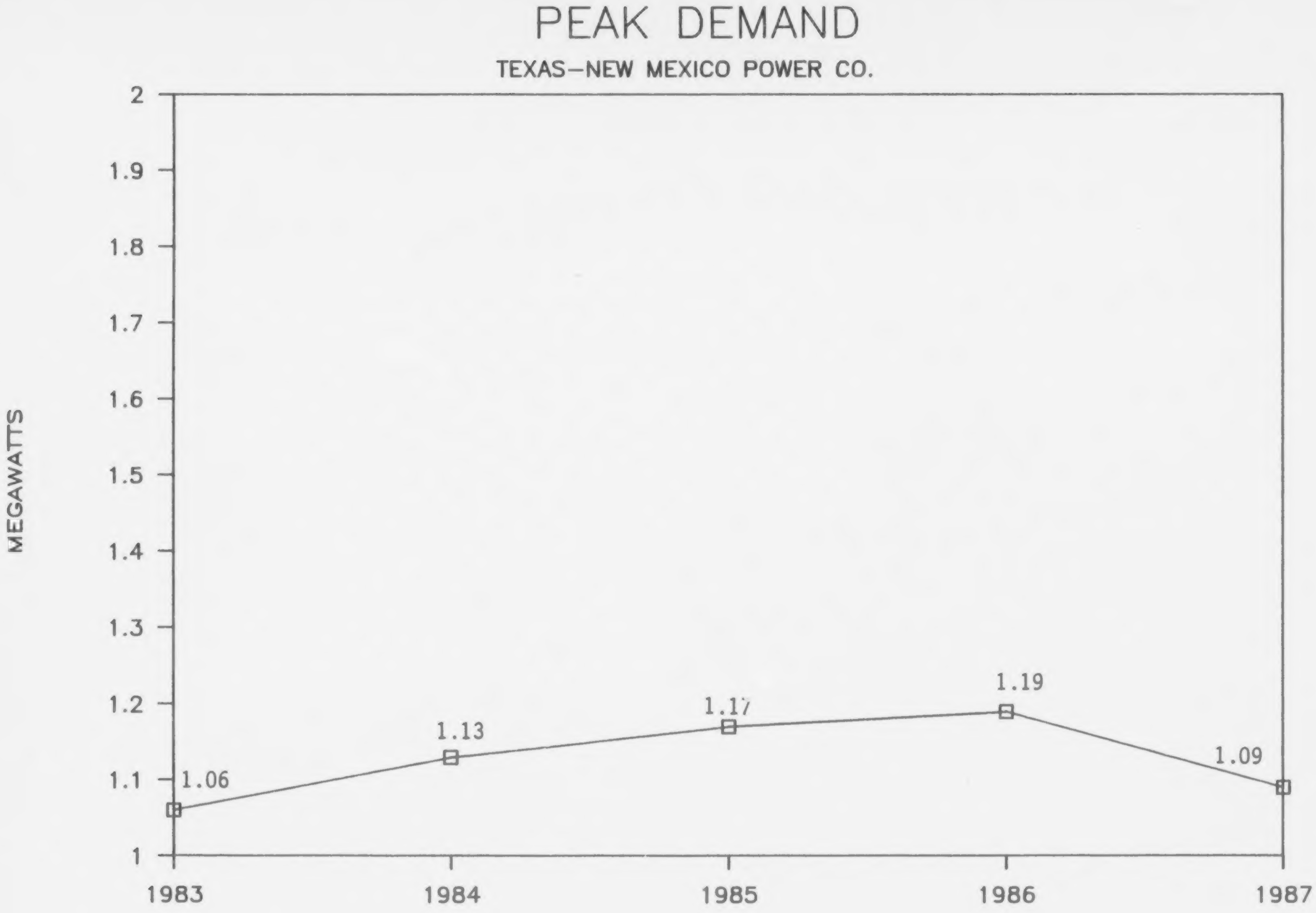
## TEXAS-NEW MEXICO POWER CO.





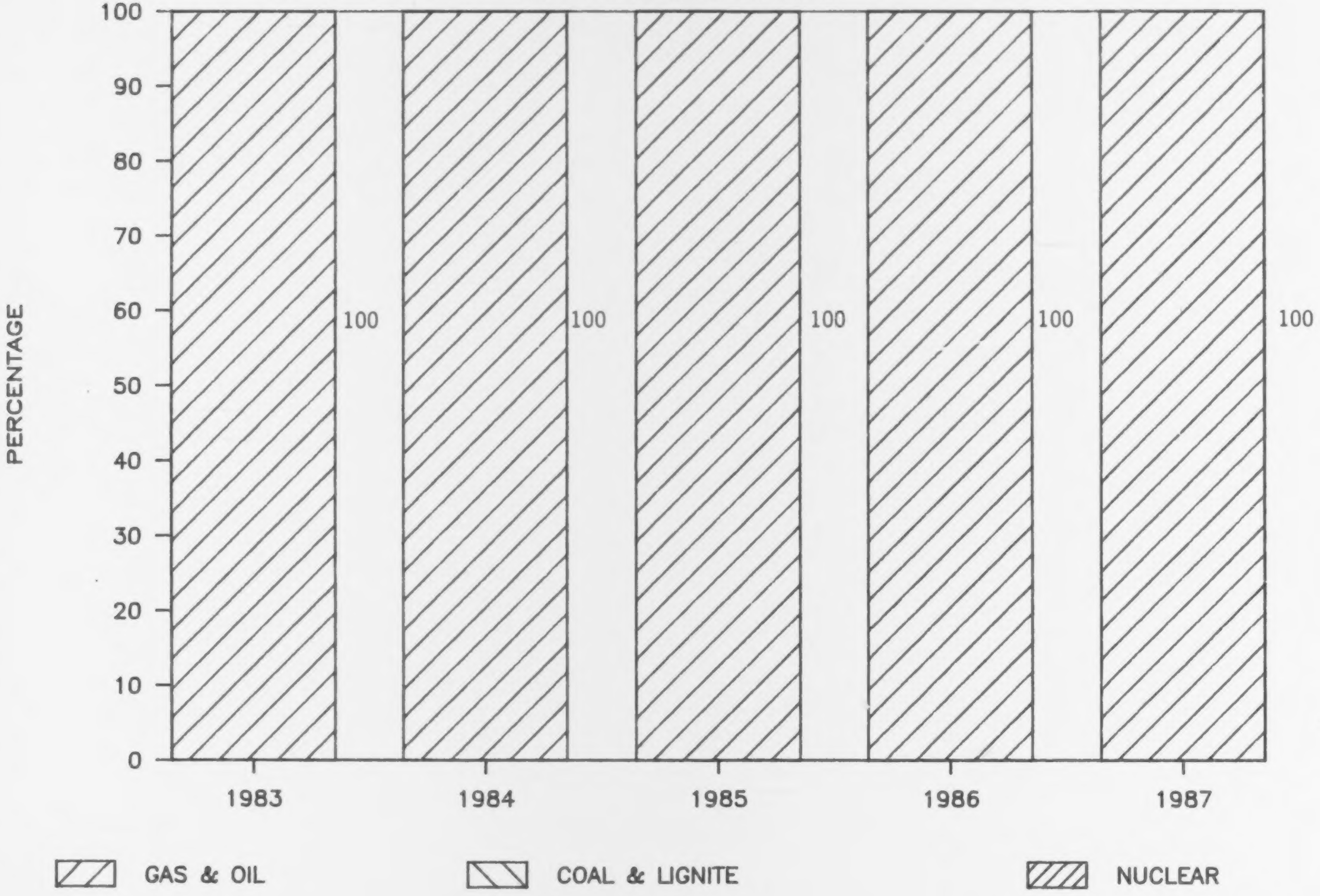
MWH SALES

TEXAS–NEW MEXICO POWER CO.


PEAK DEMAND
TEXAS–NEW MEXICO POWER CO.
MEGAWATTS
2
1.9
1.8
1.7
1.6
1.5
1.4
1.3
1.2
1.1
1
1983
1984
1985
1986
1987
1.06
1.13
1.17
1.19
1.09

# FUEL MIX

TEXAS–NEW MEXICO POWER



TEXAS PUC - COMPANY ANALYSIS REPORT
TEXAS-NEW MEXICO POWER CO (TNP)
FOR THE FIVE YEARS ENDED 1987

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 5,933 | 6,475 | 6,616 | 6,187 | 5,521 | -8.4 | -2.1 | 6.9 | 12.1 | 3.5 | 2.1 | 1.9 |
| MW PEAK DEMAND | 1,094 | 1,194 | 1,172 | 1,126 | 1,056 | -8.4 | 1.9 | 4.1 | 6.6 | 0.0 | -100.0 | 3.0 |
| RESERVE MARGIN | 11.5 | 9.2 | 27.0 | 16.7 | 27.8 | | | | | | | |
| RES CENTS PER KWH | 7.5 | 7.2 | 8.3 | 8.1 | 8.1 | 4.8 | -13.2 | 2.0 | 0.2 | 5.3 | -0.4 | -0.1 |
| RES KWH PER CUST PER MO | 890 | 876 | 873 | 868 | 814 | 1.6 | 0.4 | 0.5 | 6.6 | -4.2 | 0.9 | 0.5 |
| CONSTR EXP(000 $) | 33,578 | 36,846 | 32,151 | 34,921 | 42,734 | -8.9 | 14.6 | -7.9 | -18.3 | 34.5 | 1.1 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | | | | | | | |

## FINANCIAL DATA

| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 2.41 | 1.92 | 2.15 | 1.90 | 1.90 | 25.5 | -10.7 | 13.2 | 0.0 | 5.0 | 5.9 | 4.6 |
| DIVIDENDS PER SHARE($) | 1.39 | 1.32 | 1.25 | 1.19 | 1.13 | 5.3 | 5.6 | 5.0 | 5.3 | 6.6 | 5.6 | 3.6 |
| STOCK PRICE($) | 18.50 | 22.12 | 20.13 | 13.75 | 12.80 | -16.4 | 9.9 | 46.4 | 7.4 | 27.9 | 13.1 | 6.7 |
| BOOK VALUE PER SHARE($) | 16.56 | 15.41 | 14.64 | 13.62 | 12.96 | 7.5 | 5.3 | 7.5 | 5.1 | 5.9 | 6.2 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 15.0 | 12.7 | 15.2 | 14.2 | 14.6 | 14.3 | 15.5 |
| AFC TO EARN | 1.8 | 1.5 | 1.6 | 6.0 | 9.5 | 4.1 | 59.7 |
| YIELD | 6.8 | 6.2 | 7.4 | 9.0 | 9.9 | 7.9 | 8.8 |
| PAYOUT RATIO | 57.7 | 68.8 | 58.1 | 62.6 | 59.5 | 61.3 | 60.5 |
| MARKET TO BOOK | 111.7 | 143.5 | 137.5 | 101.0 | 98.8 | 118.5 | 107.1 |
| PE RATIO(X) | 8.4 | 11.0 | 7.9 | 7.0 | 6.0 | 8.1 | 7.0 |
| INTERNAL GEN | 68.4 | 67.8 | 76.4 | 65.9 | 46.9 | 65.1 | 29.1 |
| INT COV INCL AFC(X) | 3.4 | 3.1 | 3.4 | 3.2 | 3.1 | 3.2 | 3.2 |
| INT COV EXCL AFC(X) | 3.3 | 3.1 | 3.3 | 3.1 | 3.0 | 3.2 | 2.4 |
| CASH FLOW COV OF DIV | 3.2 | 3.6 | 3.7 | 3.8 | 4.0 | 3.7 | 1.8 |
| LONG TERM DEBT RATIO | 44.6 | 45.8 | 47.6 | 46.5 | 49.0 | 46.7 | 46.1 |
| COMMON EQUITY RATIO | 49.4 | 47.6 | 45.4 | 45.4 | 42.4 | 46.0 | 44.4 |
| PREFERRED STOCK RATIO | 6.0 | 6.6 | 7.0 | 8.1 | 8.7 | 7.3 | 9.5 |
| EFFECTIVE TAX RATE | 34.8 | 43.0 | 43.7 | 43.1 | 43.5 | 41.6 | 30.2 |
| BOND RATING | A2/A | A2/A | A2/A | A2/A | A2/AA | | |
| PCT TPUC JURIS SALES | 78.5 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
TEXAS-NEW MEXICO POWER CO (TNP)
FOR THE FIVE YEARS ENDED 1987

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 360,842 | 356,293 | 429,854 | 398,067 | 361,190 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 1.3 | -17.1 | 8.0 | 10.2 | 5.6 | 1.1 | 1.5 | | | | | | | |
| FUEL & PP | 252,235 | 250,793 | 326,095 | 305,658 | 278,304 | | | 69.9 | 70.4 | 75.9 | 76.8 | 77.1 | 74.0 | 49.1 |
| | 0.6 | -23.1 | 6.7 | 9.8 | 3.6 | -1.3 | -2.8 | | | | | | | |
| O & M | 46,547 | 40,540 | 37,104 | 33,222 | 30,781 | | | 12.9 | 11.4 | 8.6 | 8.3 | 8.5 | 10.0 | 17.3 |
| | 14.8 | 9.3 | 11.7 | 7.9 | 7.6 | 10.2 | 8.7 | | | | | | | |
| DEPR | 14,372 | 13,234 | 12,180 | 10,828 | 9,569 | | | 4.0 | 3.7 | 2.8 | 2.7 | 2.6 | 3.2 | 5.9 |
| | 8.6 | 8.7 | 12.5 | 13.2 | 17.5 | 12.0 | 10.0 | | | | | | | |
| CURR FIT | 6,795 | 4,001 | 6,324 | 2,646 | 2,552 | | | 1.9 | 1.1 | 1.5 | 0.7 | 0.7 | 1.2 | 2.2 |
| DEF TAX | 2,114 | 7,467 | 4,373 | 5,093 | 3,758 | | | 0.6 | 2.1 | 1.0 | 1.3 | 1.0 | 1.2 | 2.8 |
| ITC | -946 | 54 | 1,803 | 3,055 | 3,209 | | | -0.3 | 0.0 | 0.4 | 0.8 | 0.9 | 0.4 | 1.3 |
| FIT | 7,963 | 11,522 | 12,500 | 10,794 | 9,519 | | | 2.2 | 3.2 | 2.9 | 2.7 | 2.6 | 2.7 | 6.3 |
| | -30.9 | -7.8 | 15.8 | 13.4 | 31.5 | 1.9 | -0.6 | | | | | | | |
| OTH TAX | 13,464 | 12,359 | 13,251 | 12,099 | 11,095 | | | 3.7 | 3.5 | 3.1 | 3.0 | 3.1 | 3.3 | 5.0 |
| | 8.9 | -6.7 | 9.5 | 9.0 | 12.3 | 6.4 | 8.1 | | | | | | | |
| OPER INC | 26,261 | 27,845 | 28,724 | 25,466 | 21,922 | | | 7.3 | 7.8 | 6.7 | 6.4 | 6.1 | 6.8 | 16.3 |
| | -5.7 | -3.1 | 12.8 | 16.2 | 13.3 | 6.3 | 2.9 | | | | | | | |
| AFC | 337 | 211 | 251 | 770 | 1,076 | | | 0.1 | 0.1 | 0.1 | 0.2 | 0.3 | 0.1 | 8.1 |
| | 59.7 | -15.9 | -67.4 | -28.4 | 61.3 | -12.8 | 24.4 | | | | | | | |
| OTH INC | 4,948 | 385 | 534 | 101 | 147 | | | 1.4 | 0.1 | 0.1 | 0.0 | 0.0 | 0.3 | 0.1 |
| INTEREST | 11,708 | 12,691 | 12,531 | 11,786 | 10,582 | | | 3.2 | 3.6 | 2.9 | 3.0 | 2.9 | 3.1 | 9.7 |
| | -7.7 | 1.3 | 6.3 | 11.4 | 1.1 | 2.3 | 9.8 | | | | | | | |
| NET INCOME | 19,838 | 15,750 | 16,978 | 14,551 | 12,563 | | | 5.5 | 4.4 | 3.9 | 3.7 | 3.5 | 4.2 | 14.9 |
| | 26.0 | -7.2 | 16.7 | 15.8 | 31.0 | 15.6 | 11.4 | | | | | | | |
| PREF DIV | 1,485 | 1,527 | 1,568 | 1,610 | 1,216 | | | 0.4 | 0.4 | 0.4 | 0.4 | 0.3 | 0.4 | 1.7 |
| | -2.8 | -2.6 | -2.6 | 32.4 | 63.7 | 14.9 | 10.4 | | | | | | | |
| INC TO COM | 18,353 | 14,223 | 15,410 | 12,941 | 11,347 | | | 5.1 | 4.0 | 3.6 | 3.3 | 3.1 | 3.8 | 13.2 |
| | 29.0 | -7.7 | 19.1 | 14.0 | 28.2 | 15.7 | 11.6 | | | | | | | |
| COMMON DIV | 10,574 | 9,775 | 8,966 | 8,119 | 6,755 | | | 2.9 | 2.7 | 2.1 | 2.0 | 1.9 | 2.3 | 8.4 |
| | 8.2 | 9.0 | 10.4 | 20.2 | 30.7 | 15.4 | 9.0 | | | | | | | |
| INC TO RE | 7,779 | 4,448 | 6,444 | 4,822 | 4,592 | | | 2.2 | 1.2 | 1.5 | 1.2 | 1.3 | 1.5 | 4.9 |

# TEXAS PUC - COMPANY ANALYSIS REPORT
## TEXAS-NEW MEXICO POWER CO (TNP)
## FOR THE FIVE YEARS ENDED 1987

### BALANCE SHEET ANALYSIS

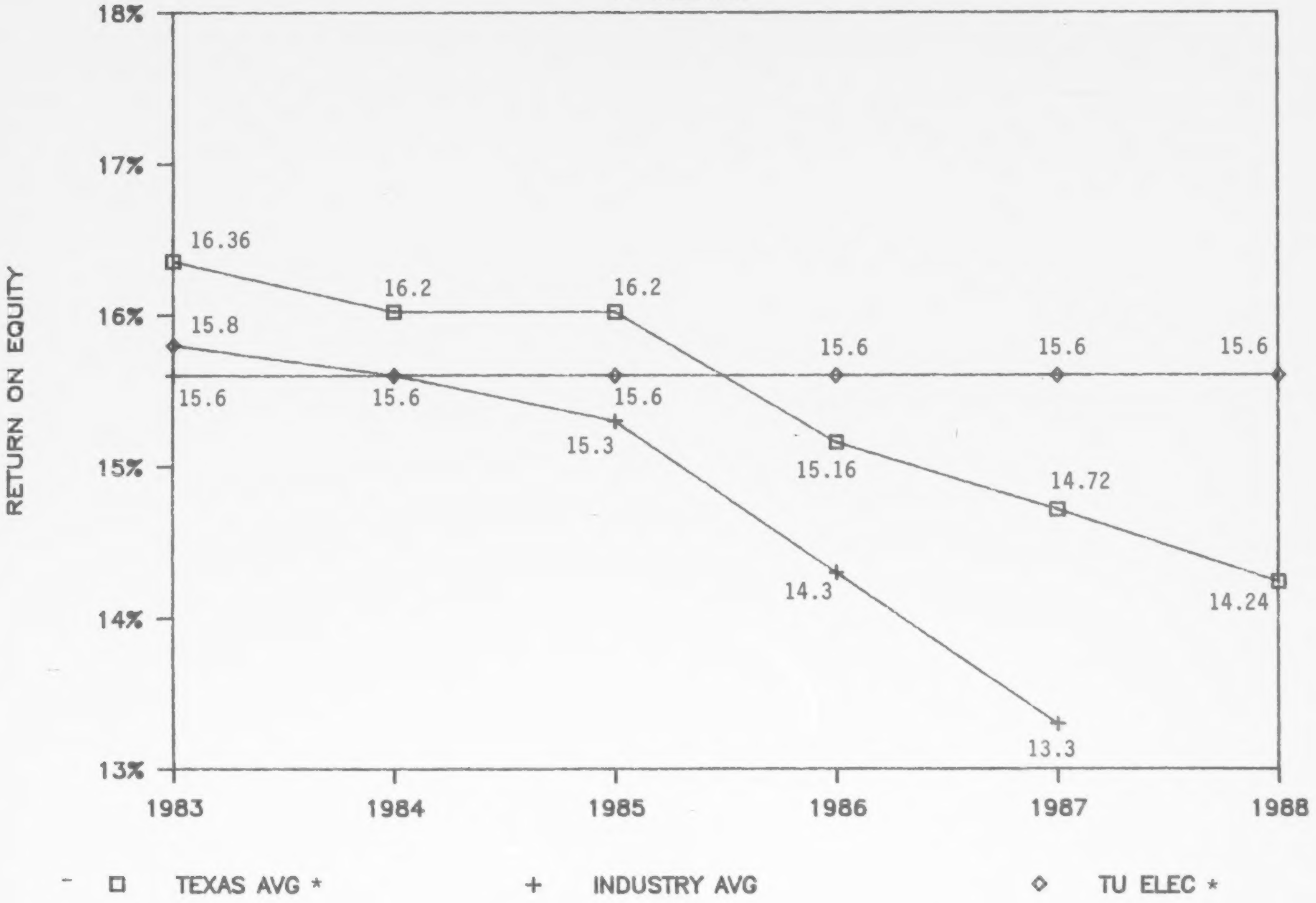
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 418,663 | 388,573 | 360,245 | 330,565 | 292,642 | | | 104.0 | 104.7 | 105.4 | 104.5 | 104.6 | 104.6 | 73.9 |
| CWIP & OTH | 3,050 | 5,236 | 1,168 | 2,844 | 8,406 | | | 0.8 | 1.4 | 0.3 | 0.9 | 3.0 | 1.3 | 35.5 |
| TOTAL PLANT | 421,713 | 393,809 | 361,413 | 333,409 | 301,048 | | | 104.7 | 106.1 | 105.8 | 105.4 | 107.6 | 105.9 | 109.4 |
| ACCUM DEPR | 93,683 | 84,830 | 76,381 | 68,734 | 61,534 | | | 23.3 | 22.9 | 22.4 | 21.7 | 22.0 | 22.4 | 19.0 |
| NET PLANT | 328,030 | 308,979 | 285,032 | 264,675 | 239,514 | | | 81.4 | 83.2 | 83.4 | 83.7 | 85.6 | 83.5 | 90.4 |
| | 6.2 | 8.4 | 7.7 | 10.5 | 16.7 | 9.8 | 10.4 | | | | | | | |
| CASH & INV | 27,904 | 13,113 | 14,315 | 7,594 | 7,221 | | | 6.9 | 3.5 | 4.2 | 2.4 | 2.6 | 3.9 | 1.8 |
| ACCTS REC | 4,426 | 20,806 | 21,740 | 25,810 | 22,657 | | | 1.1 | 5.6 | 6.4 | 8.2 | 8.1 | 5.9 | 2.5 |
| INVENTORY | 5,533 | 5,473 | 5,360 | 5,525 | 5,963 | | | 1.4 | 1.5 | 1.6 | 1.7 | 2.1 | 1.7 | 1.6 |
| OTH CURRENT | 4,360 | 4,148 | 701 | 3,448 | 790 | | | 1.1 | 1.1 | 0.2 | 1.1 | 0.3 | 0.8 | 0.5 |
| TOTAL CURR | 42,223 | 43,540 | 42,116 | 42,377 | 36,631 | | | 10.5 | 11.7 | 12.3 | 13.4 | 13.1 | 12.2 | 6.4 |
| | -3.0 | 3.4 | -0.6 | 15.7 | 19.2 | 6.6 | 10.2 | | | | | | | |
| OTH ASSETS | 32,486 | 18,702 | 14,559 | 9,314 | 3,575 | | | 8.1 | 5.0 | 4.3 | 2.9 | 1.3 | 4.3 | 3.2 |
| TOTAL ASSETS | 402,739 | 371,221 | 341,707 | 316,366 | 279,720 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 8.5 | 8.6 | 8.0 | 13.1 | 17.9 | 11.2 | 11.3 | | | | | | | |
| COMMON EQ | 128,618 | 115,989 | 107,297 | 96,130 | 86,007 | | | 31.9 | 31.2 | 31.4 | 30.4 | 30.7 | 31.1 | 34.5 |
| | 10.9 | 8.1 | 11.6 | 11.8 | 24.5 | 13.2 | 11.5 | | | | | | | |
| PREF STOCK | 15,640 | 16,120 | 16,600 | 17,080 | 17,560 | | | 3.9 | 4.3 | 4.9 | 5.4 | 6.3 | 5.0 | 7.3 |
| | -3.0 | -2.9 | -2.8 | -2.7 | 74.9 | 9.3 | 10.1 | | | | | | | |
| LT DEBT | 116,339 | 111,424 | 112,506 | 98,438 | 99,370 | | | 28.9 | 30.0 | 32.9 | 31.1 | 35.5 | 31.7 | 35.9 |
| | 4.4 | -1.0 | 14.3 | -0.9 | 13.8 | 5.9 | 10.5 | | | | | | | |
| TOTAL CAP | 260,597 | 243,533 | 236,403 | 211,648 | 202,937 | | | 64.7 | 65.6 | 69.2 | 66.9 | 72.6 | 67.8 | 77.7 |
| | 7.0 | 3.0 | 11.7 | 4.3 | 21.9 | 9.4 | 10.9 | | | | | | | |
| ST DEBT | 18,583 | 9,044 | 898 | 12,382 | 2,804 | | | 4.6 | 2.4 | 0.3 | 3.9 | 1.0 | 2.4 | 1.7 |
| OTH CURRENT | 36,361 | 42,092 | 37,773 | 38,788 | 33,549 | | | 9.0 | 11.3 | 11.1 | 12.3 | 12.0 | 11.1 | 6.5 |
| TOTAL CURR | 54,944 | 51,136 | 38,671 | 51,170 | 36,353 | | | 13.6 | 13.8 | 11.3 | 16.2 | 13.0 | 13.6 | 8.3 |
| | 7.4 | 32.2 | -24.4 | 40.8 | -3.5 | 7.8 | 9.4 | | | | | | | |
| ACC DEF TAX | 59,410 | 51,477 | 42,655 | 31,255 | 22,548 | | | 14.8 | 13.9 | 12.5 | 9.9 | 8.1 | 11.8 | 8.0 |
| | 15.4 | 20.7 | 36.5 | 38.6 | 21.3 | 26.2 | 15.6 | | | | | | | |
| ACC ITC | 24,761 | 21,426 | 21,109 | 19,378 | 15,742 | | | 6.1 | 5.8 | 6.2 | 6.1 | 5.6 | 6.0 | 5.3 |
| | 15.6 | 1.5 | 8.9 | 23.1 | 24.6 | 14.4 | 9.9 | | | | | | | |
| OTH LIAB | 3,027 | 3,649 | 2,871 | 2,915 | 2,140 | | | 0.8 | 1.0 | 0.8 | 0.9 | 0.8 | 0.9 | 0.7 |
| LIAB AND EQ | 402,739 | 371,221 | 341,709 | 316,366 | 279,720 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section IX - TU Electric

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
7. Ratio of AFUDC to Income to Common 1983-1987
8. CWIP as a Percentage of Net Plant 1983-1987
9. Total Megawatt Hour Sales 1983-1987
10. Megawatt Peak Demand 1983-1987
11. Fuel Mix 1983-1987
12. Operating Data 1983-1987
13. Income Statement Analysis 1983-1987
14. Balance Sheet Analysis 1983-1987

# ALLOWED RETURN ON EQUITY

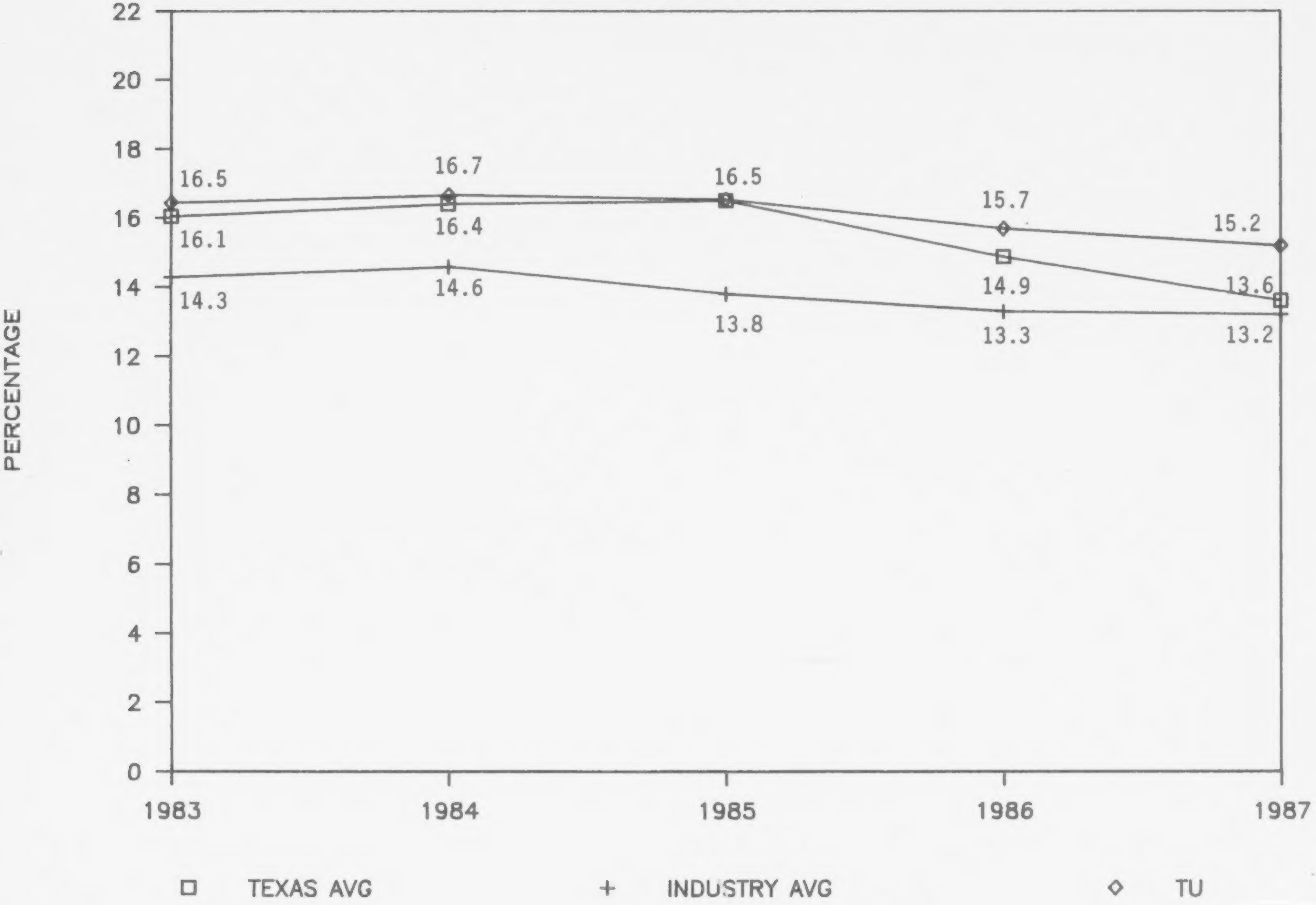
## TU ELECTRIC



*Includes updates through August 1988.

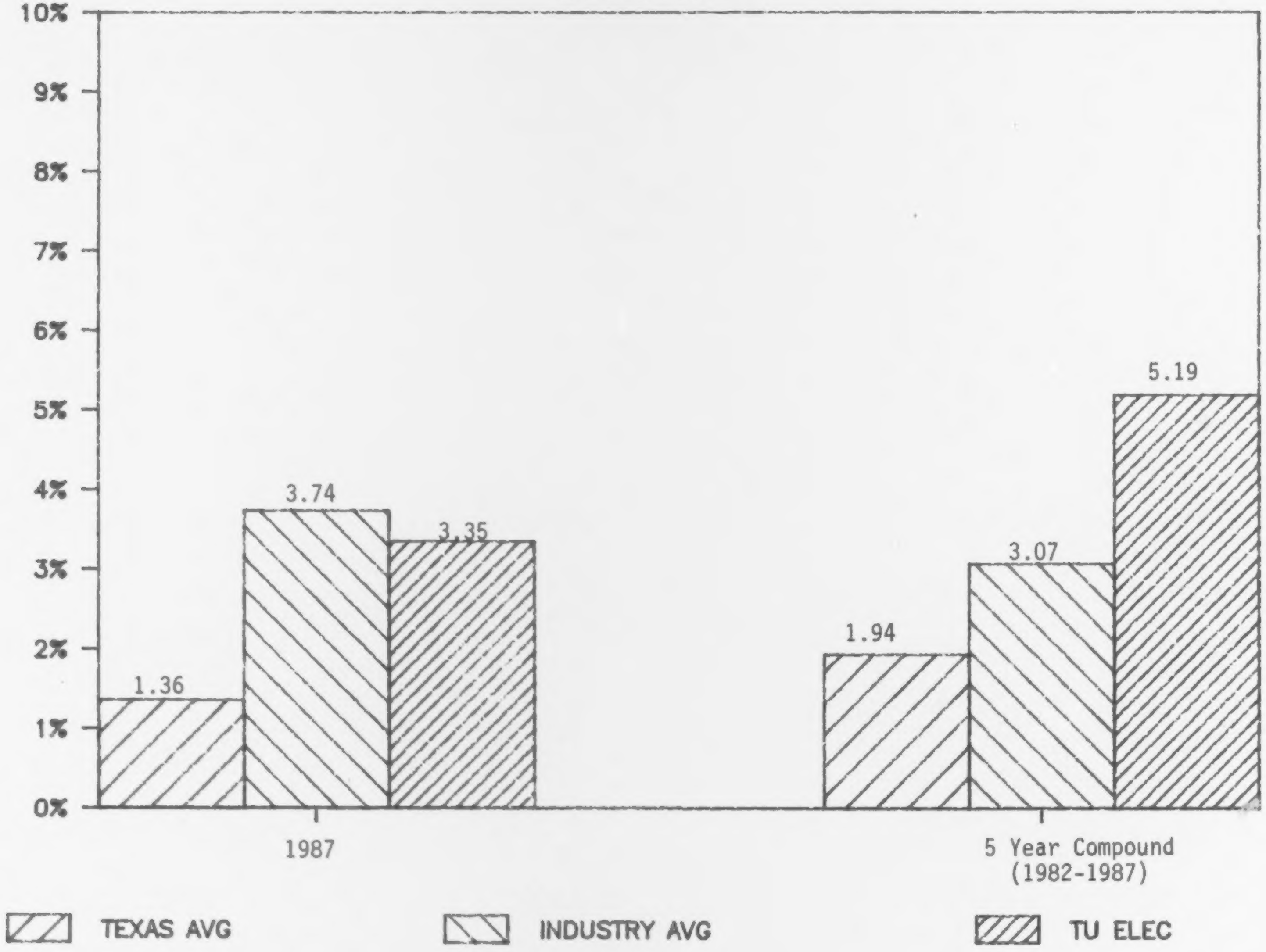
# EARNED RETURN ON EQUITY

## TU ELECTRIC



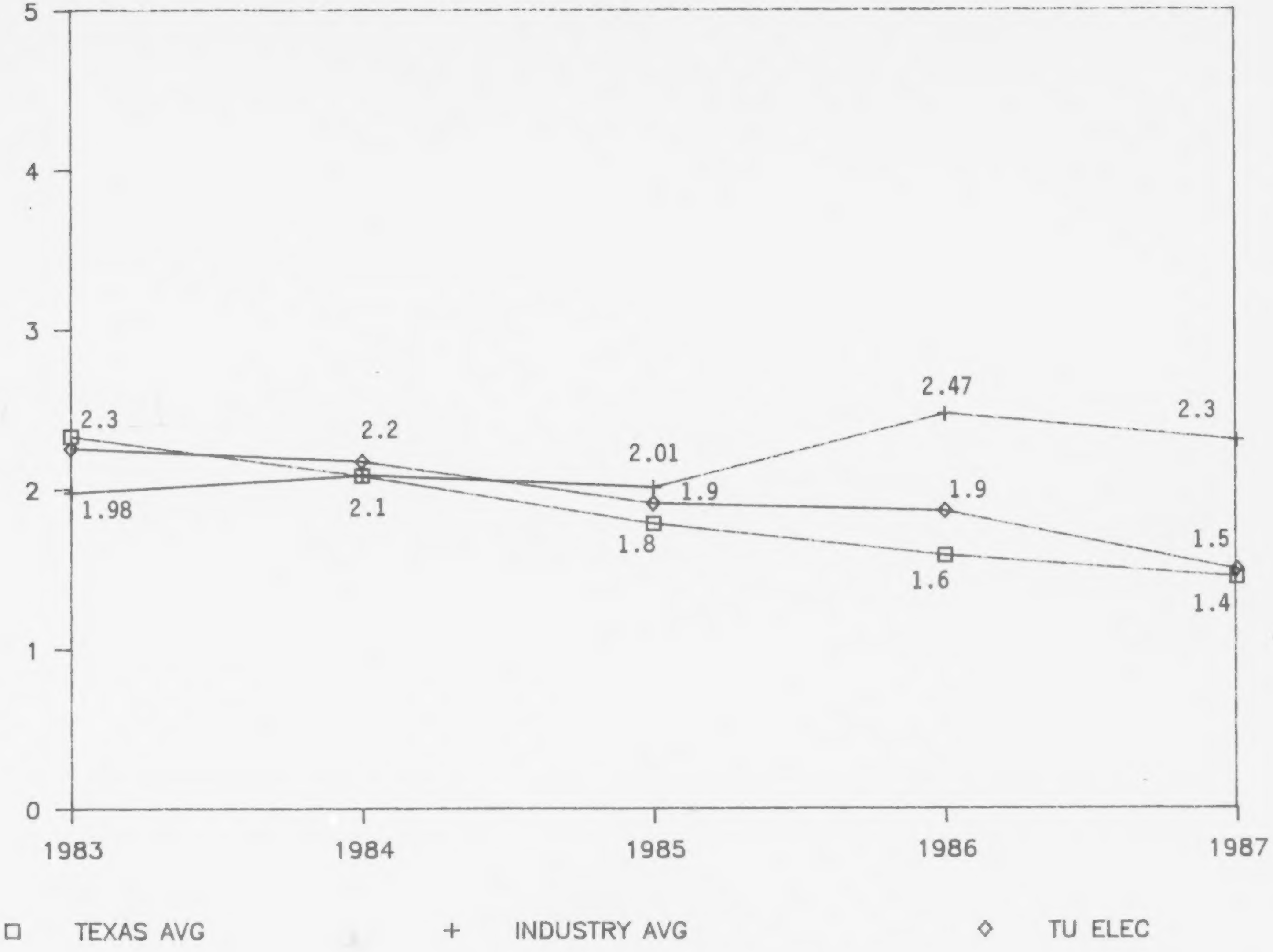
# MWH SALES GROWTH

## TU ELECTRIC



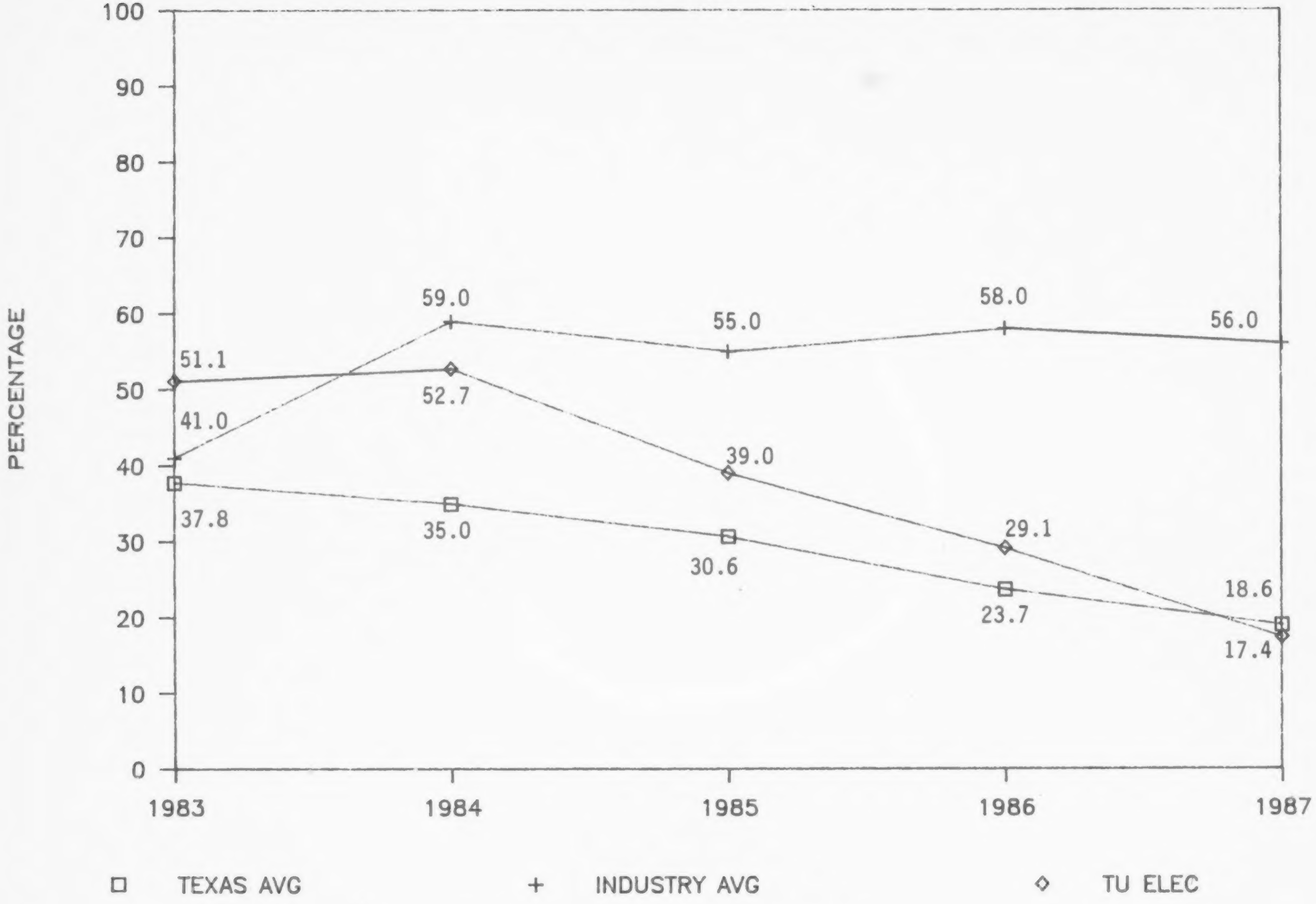
# CASH FLOW COVERAGE OF DIVIDENDS

TU ELECTRIC



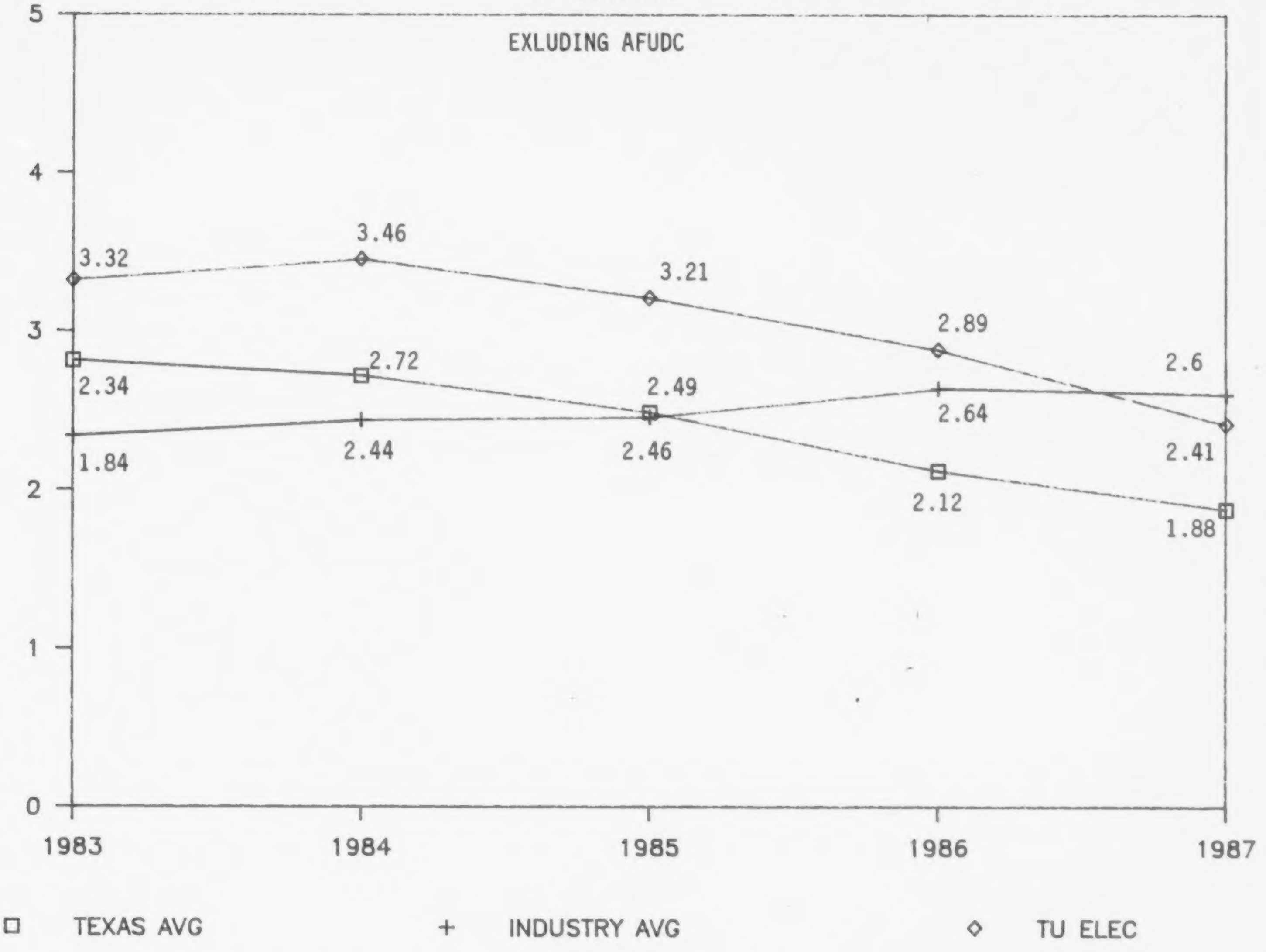
# FUNDS GENERATED INTERNALLY (%)

## TU ELECTRIC



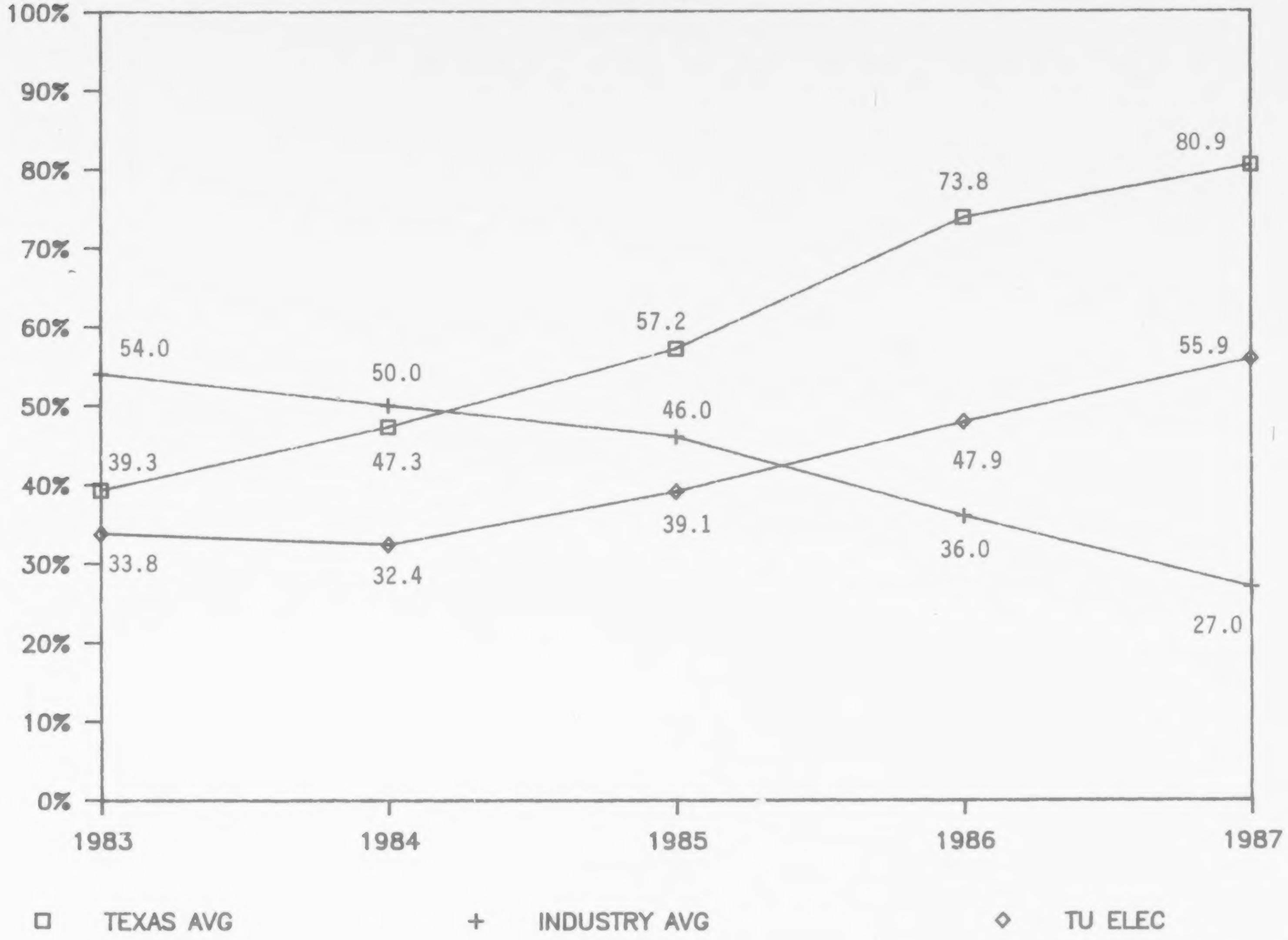
# PRE-TAX INTEREST COVERAGE

## TU ELECTRIC



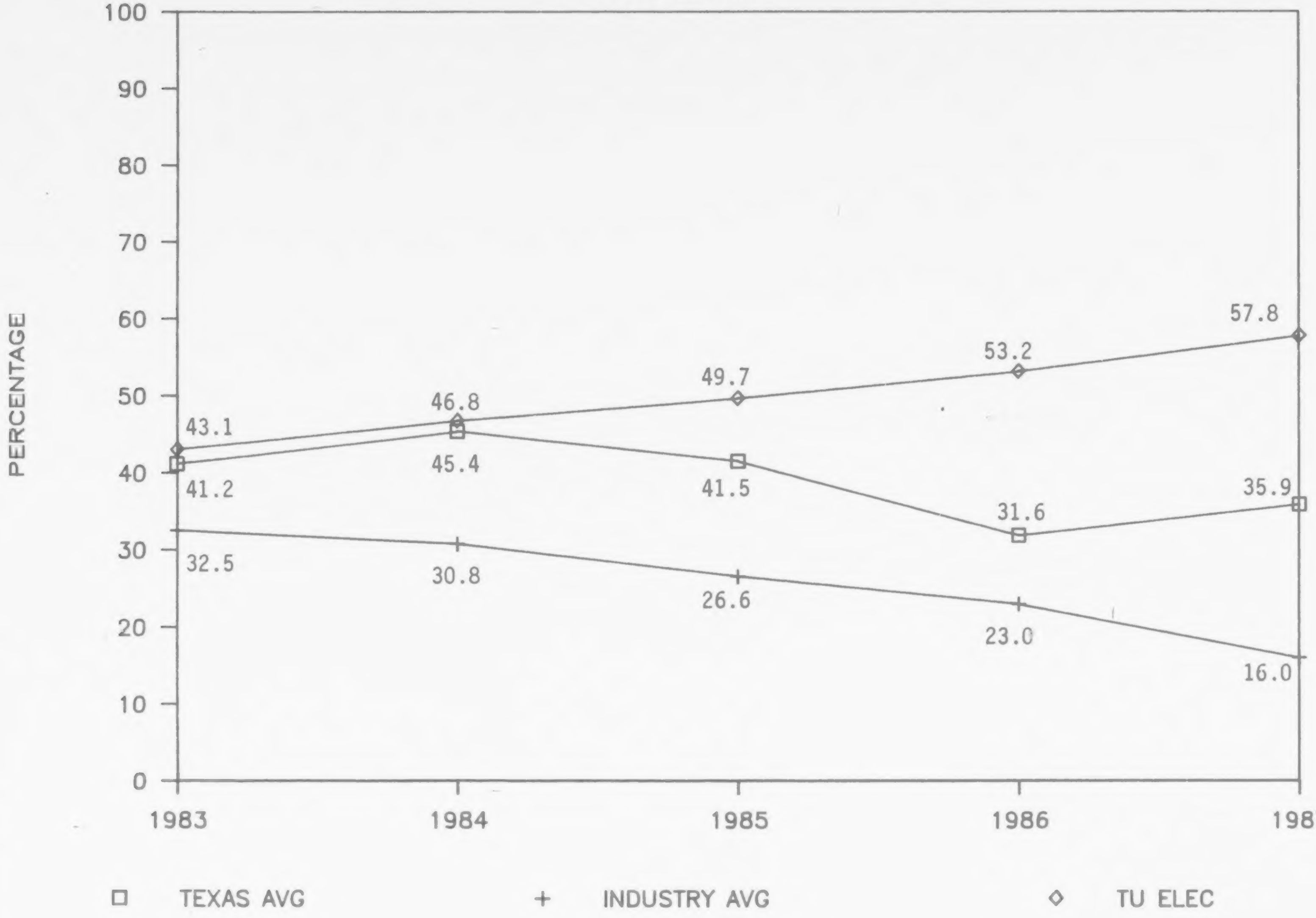
# RATIO OF AFUDC TO INCOME TO COMMON

## TU ELECTRIC



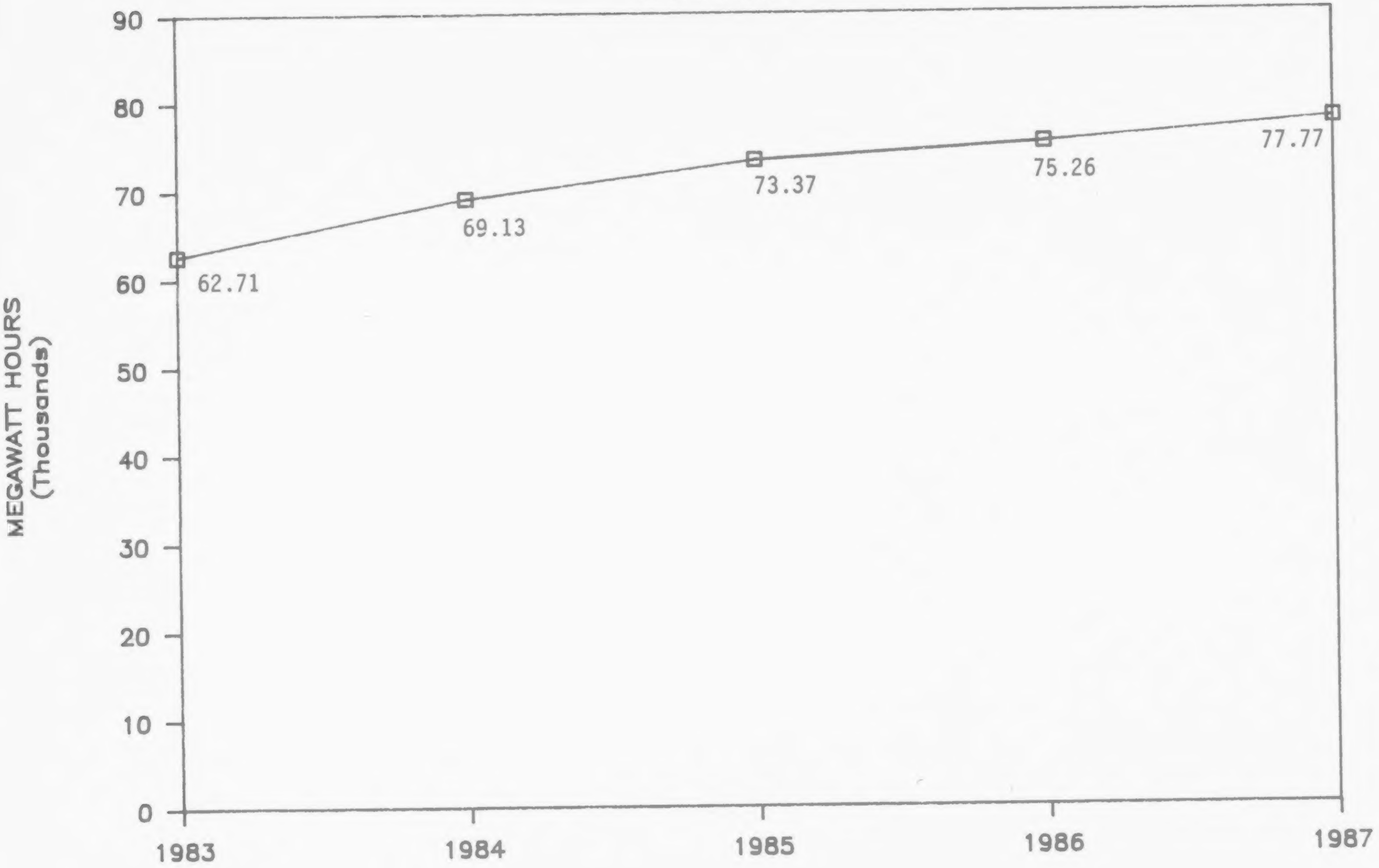
# CWIP AS A % OF NET PLANT

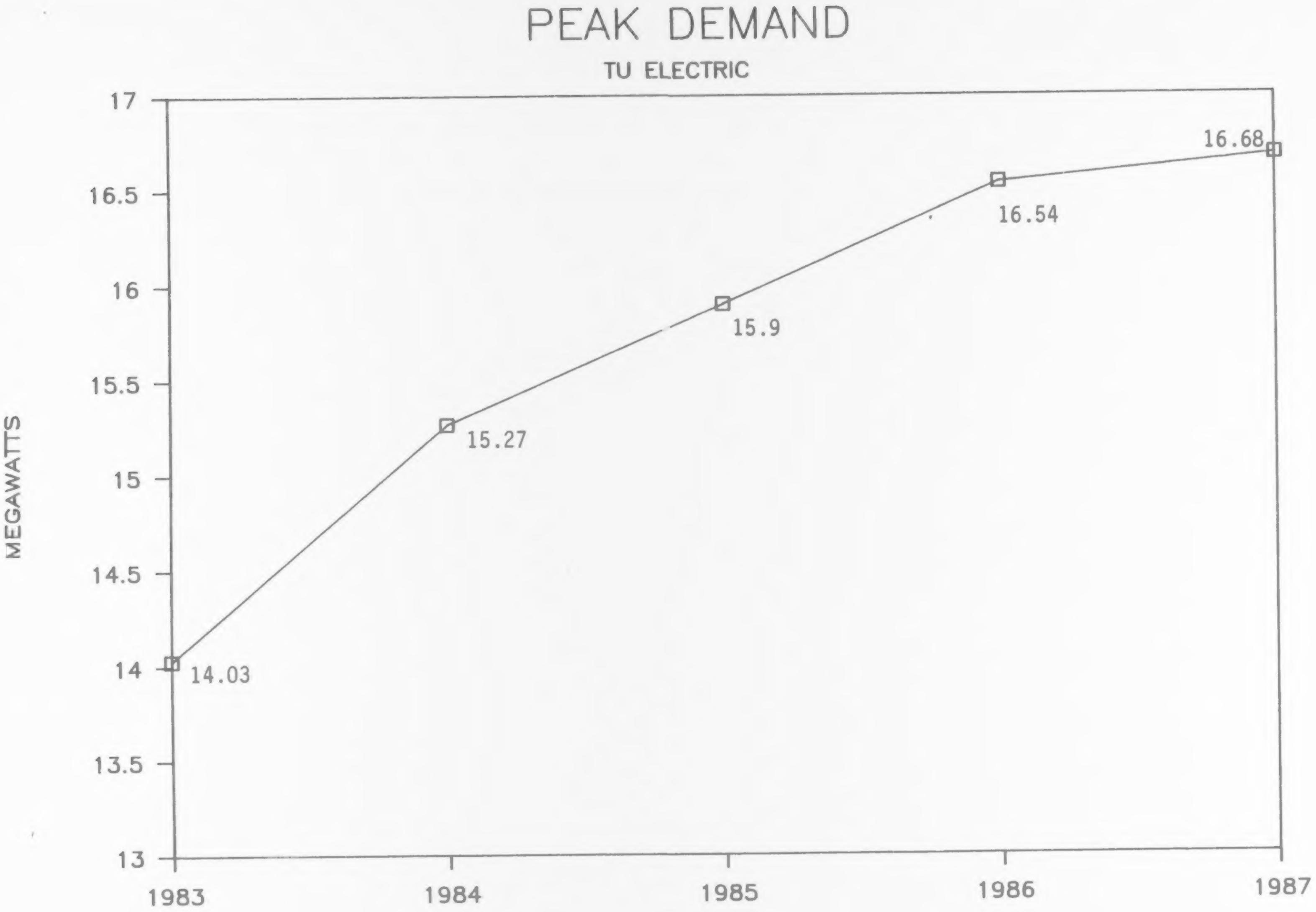
TU ELECTRIC



# MWH SALES

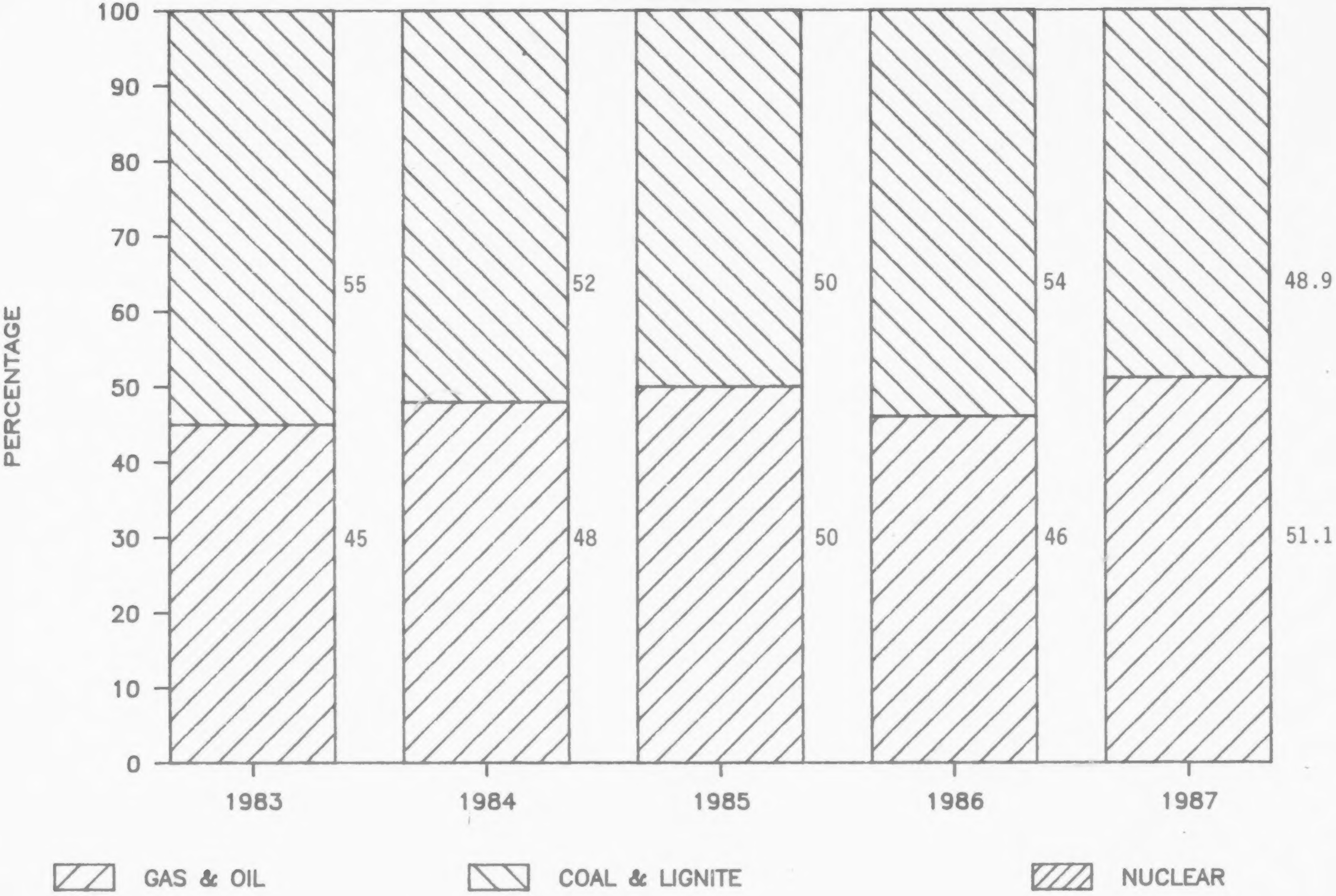
## TU ELECTRIC




PEAK DEMAND
TU ELECTRIC
MEGAWATTS
17
16.5
16
15.5
15
14.5
14
13.5
13
1983
1984
1985
1986
1987
14.03
15.27
15.9
16.54
16.68

# FUEL MIX

## TU ELECTRIC



# TEXAS PUC - COMPANY ANALYSIS REPORT
## TEXAS UTILITIES ELECTRIC CO (TUE)
## FOR THE FIVE YEARS ENDED 1987

### OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 77,773 | 75,255 | 73,370 | 69,126 | 62,710 | 3.3 | 2.6 | 6.1 | 10.2 | 3.9 | 5.2 | 1.9 |
| MW PEAK DEMAND | 16,680 | 16,537 | 15,898 | 15,265 | 14,029 | 0.9 | 4.0 | 4.1 | 8.8 | 6.2 | 4.8 | 3.0 |
| RESERVE MARGIN | 16.7 | 14.0 | 17.1 | 17.3 | 28.0 | | | | | | | |
| RES CENTS PER KWH | 6.2 | 6.2 | 6.9 | 6.8 | 6.5 | 0.3 | -9.7 | 1.1 | 5.1 | 4.5 | 0.1 | -0.1 |
| RES KWH PER CUST PER MO | 1,171 | 1,144 | 1,179 | 1,172 | 1,108 | 2.4 | -3.0 | 0.6 | 5.8 | -1.6 | 0.8 | 0.5 |
| CONSTR EXP(000 $) | 1,275,360 | 1,171,351 | 827,345 | 706,821 | 695,786 | 8.9 | 41.6 | 17.1 | 1.6 | -3.7 | 12.0 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 51.1 | 46.0 | 50.0 | 48.0 | 45.0 | | | | | | | |
| COAL/LIGNITE | 48.9 | 54.0 | 50.0 | 52.0 | 55.0 | | | | | | | |

### FINANCIAL DATA

| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 4.55 | 4.45 | 4.35 | 4.15 | 3.90 | 2.2 | 2.3 | 4.8 | 6.4 | 1.3 | 3.4 | 4.6 |
| DIVIDENDS PER SHARE($) | 2.80 | 2.52 | 2.52 | 2.36 | 2.19 | 11.1 | 0.0 | 6.8 | 7.8 | 7.4 | 6.5 | 3.6 |
| STOCK PRICE($) | 27.00 | 31.50 | 29.88 | 26.38 | 23.25 | -14.3 | 5.4 | 13.3 | 13.5 | -1.1 | 2.8 | 6.7 |
| BOOK VALUE PER SHARE($) | 33.02 | 31.24 | 29.46 | 27.79 | 26.16 | 5.7 | 6.0 | 6.0 | 6.2 | 6.3 | 6.1 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 15.2 | 15.7 | 16.5 | 16.7 | 16.5 | 16.1 | 15.5 |
| AFC TO EARN | 55.9 | 47.9 | 39.1 | 32.4 | 33.8 | 41.8 | 59.7 |
| YIELD | 9.6 | 8.2 | 9.0 | 9.5 | 9.4 | 9.1 | 8.8 |
| PAYOUT RATIO | 61.5 | 56.6 | 57.9 | 56.9 | 56.2 | 57.8 | 60.5 |
| MARKET TO BOOK | 81.8 | 100.8 | 101.4 | 94.9 | 88.9 | 93.6 | 107.1 |
| PE RATIO(X) | 6.4 | 6.9 | 6.5 | 6.0 | 6.0 | 6.4 | 7.0 |
| INTERNAL GEN | 17.4 | 29.1 | 39.0 | 52.7 | 51.1 | 37.9 | 29.1 |
| INT COV INCL AFC(X) | 3.3 | 3.7 | 3.9 | 4.1 | 3.9 | 3.8 | 3.2 |
| INT COV EXCL AFC(X) | 2.4 | 2.9 | 3.2 | 3.5 | 3.3 | 3.1 | 2.4 |
| CASH FLOW COV OF DIV | 1.5 | 1.9 | 1.9 | 2.2 | 2.3 | 1.9 | 1.8 |
| LONG TERM DEBT RATIO | 43.7 | 41.3 | 39.7 | 40.7 | 41.2 | 41.3 | 46.1 |
| COMMON EQUITY RATIO | 45.5 | 47.2 | 49.3 | 48.2 | 48.3 | 47.7 | 44.4 |
| PREFERRED STOCK RATIO | 10.8 | 11.5 | 11.0 | 11.1 | 10.6 | 11.0 | 9.5 |
| EFFECTIVE TAX RATE | 21.2 | 27.3 | 30.1 | 32.8 | 31.2 | 28.5 | 30.2 |
| BOND RATING | A2/BBB+ | A2/A | A2/A+ | Aa2/AA | Aaa/AAA | | |
| PCT TPUC JURIS SALES | 100.0 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
TEXAS UTILITIES ELECTRIC CO (TUE)
FOR THE FIVE YEARS ENDED 1987

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 4,079,301 | 3,927,399 | 4,164,380 | 3,925,738 | 3,487,626 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 3.9 | -5.7 | 6.1 | 12.6 | 7.7 | 4.7 | 1.5 | | | | | | | |
| FUEL & PP | 1,695,769 | 1,594,174 | 1,899,988 | 1,786,129 | 1,617,809 | | | 41.6 | 40.6 | 45.6 | 45.5 | 46.4 | 43.9 | 49.1 |
| | 6.4 | -16.1 | 6.4 | 10.4 | 11.4 | 3.1 | -2.8 | | | | | | | |
| O & M | 871,626 | 827,838 | 775,888 | 718,452 | 625,283 | | | 21.4 | 21.1 | 18.6 | 18.3 | 17.9 | 19.5 | 17.3 |
| | 5.3 | 6.7 | 8.0 | 14.9 | 1.4 | 7.2 | 8.7 | | | | | | | |
| DEPR | 221,772 | 209,152 | 195,959 | 192,276 | 191,944 | | | 5.4 | 5.3 | 4.7 | 4.9 | 5.5 | 5.2 | 5.9 |
| | 6.0 | 6.7 | 1.9 | 0.2 | 6.9 | 4.3 | 10.0 | | | | | | | |
| CURR FIT | 59,587 | 67,320 | 155,864 | 146,613 | 96,009 | | | 1.5 | 1.7 | 3.7 | 3.7 | 2.8 | 2.7 | 2.2 |
| DEF TAX | 82,750 | 133,021 | 55,281 | 79,157 | 82,328 | | | 2.0 | 3.4 | 1.3 | 2.0 | 2.4 | 2.2 | 2.8 |
| ITC | 59,109 | 64,243 | 67,867 | 60,543 | 53,879 | | | 1.4 | 1.6 | 1.6 | 1.5 | 1.5 | 1.6 | 1.3 |
| FIT | 201,446 | 264,584 | 279,012 | 286,313 | 232,216 | | | 4.9 | 6.7 | 6.7 | 7.3 | 6.7 | 6.5 | 6.3 |
| | -23.9 | -5.2 | -2.6 | 23.3 | 3.6 | -2.1 | -0.6 | | | | | | | |
| OTH TAX | 286,777 | 272,771 | 267,757 | 238,773 | 205,822 | | | 7.0 | 6.9 | 6.4 | 6.1 | 5.9 | 6.5 | 5.0 |
| | 5.1 | 1.9 | 12.1 | 16.0 | 10.7 | 9.1 | 8.1 | | | | | | | |
| OPER INC | 801,911 | 758,880 | 745,776 | 703,795 | 614,552 | | | 19.7 | 19.3 | 17.9 | 17.9 | 17.6 | 18.5 | 16.3 |
| | 5.7 | 1.8 | 6.0 | 14.5 | 6.1 | 6.7 | 2.9 | | | | | | | |
| AFC | 387,123 | 303,826 | 229,712 | 171,760 | 158,521 | | | 9.5 | 7.7 | 5.5 | 4.4 | 4.5 | 6.3 | 8.1 |
| | 27.4 | 32.3 | 33.7 | 8.4 | 16.5 | 23.3 | 24.4 | | | | | | | |
| OTH INC | 13,562 | 6,483 | -2,819 | 2,512 | 3,670 | | | 0.3 | 0.2 | -0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| INTEREST | 421,418 | 356,897 | 318,252 | 287,302 | 255,842 | | | 10.3 | 9.1 | 7.6 | 7.3 | 7.3 | 8.3 | 9.7 |
| | 18.1 | 12.1 | 10.8 | 12.3 | 6.2 | 11.8 | 9.8 | | | | | | | |
| NET INCOME | 781,178 | 712,292 | 654,417 | 590,765 | 520,901 | | | 19.1 | 18.1 | 15.7 | 15.0 | 14.9 | 16.6 | 14.9 |
| | 9.7 | 8.8 | 10.8 | 13.4 | 7.9 | 10.1 | 11.4 | | | | | | | |
| PREF DIV | 89,038 | 78,375 | 66,276 | 60,658 | 51,582 | | | 2.2 | 2.0 | 1.6 | 1.5 | 1.5 | 1.8 | 1.7 |
| | 13.6 | 18.3 | 9.3 | 17.6 | 11.3 | 14.0 | 10.4 | | | | | | | |
| INC TO COM | 692,140 | 633,917 | 588,141 | 530,107 | 469,319 | | | 17.0 | 16.1 | 14.1 | 13.5 | 13.5 | 14.8 | 13.2 |
| | 9.2 | 7.8 | 10.9 | 13.0 | 7.5 | 9.7 | 11.6 | | | | | | | |
| COMMON DIV | 447,200 | 395,430 | 354,752 | 317,638 | 283,392 | | | 11.0 | 10.1 | 8.5 | 8.1 | 8.1 | 9.2 | 8.4 |
| | 13.1 | 11.5 | 11.7 | 12.1 | 17.4 | 13.1 | 9.0 | | | | | | | |
| INC TO RE | 244,940 | 238,487 | 233,389 | 212,469 | 185,927 | | | 6.0 | 6.1 | 5.6 | 5.4 | 5.3 | 5.7 | 4.9 |

TEXAS PUC - COMPANY ANALYSIS REPORT
TEXAS UTILITIES ELECTRIC CO (TUE)
FOR THE FIVE YEARS ENDED 1987

## BALANCE SHEET ANALYSIS

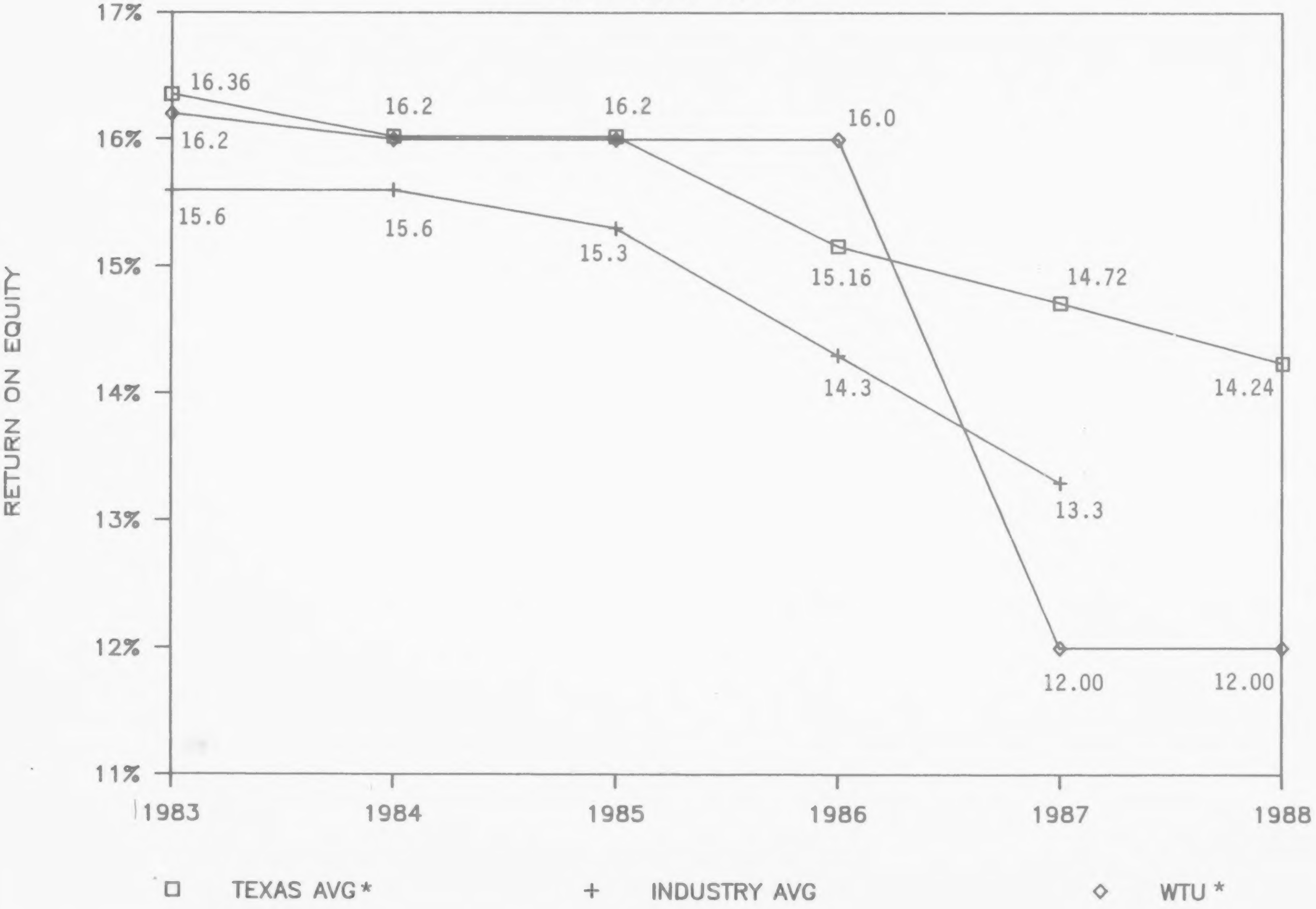
| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 7,331,559 | 7,024,556 | 6,610,843 | 6,231,253 | 5,906,976 | | | 56.7 | 62.3 | 67.5 | 71.0 | 74.8 | 66.4 | 73.9 |
| CWIP & OTH | 6,818,088 | 5,518,693 | 4,543,249 | 3,850,810 | 3,201,080 | | | 52.7 | 48.9 | 46.4 | 43.8 | 40.5 | 46.5 | 35.5 |
| TOTAL PLANT | 14,149,647 | 12,543,249 | 11,154,092 | 10,082,063 | 9,108,056 | | | 109.4 | 111.2 | 113.8 | 114.8 | 115.3 | 112.9 | 109.4 |
| ACCUM DEPR | 2,355,827 | 2,174,441 | 2,011,061 | 1,848,146 | 1,687,098 | | | 18.2 | 19.3 | 20.5 | 21.0 | 21.4 | 20.1 | 19.0 |
| NET PLANT | 11,793,820 | 10,368,808 | 9,143,031 | 8,233,917 | 7,420,958 | | | 91.2 | 91.9 | 93.3 | 93.8 | 94.0 | 92.8 | 90.4 |
| | 13.7 | 13.4 | 11.0 | 11.0 | 10.3 | 11.9 | 10.4 | | | | | | | |
| CASH & INV | 305,909 | 219,172 | 24,826 | 28,605 | 81,387 | | | 2.4 | 1.9 | 0.3 | 0.3 | 1.0 | 1.2 | 1.8 |
| ACCTS REC | 389,611 | 284,191 | 292,015 | 252,366 | 216,047 | | | 3.0 | 2.5 | 3.0 | 2.9 | 2.7 | 2.8 | 2.5 |
| INVENTORY | 211,521 | 208,007 | 218,321 | 215,389 | 110,001 | | | 1.6 | 1.8 | 2.2 | 2.5 | 1.4 | 1.9 | 1.6 |
| OTH CURRENT | 34,018 | 77,593 | 62,709 | 20,175 | 14,783 | | | 0.3 | 0.7 | 0.6 | 0.2 | 0.2 | 0.4 | 0.5 |
| TOTAL CURR | 941,059 | 788,963 | 597,871 | 516,535 | 422,218 | | | 7.3 | 7.0 | 6.1 | 5.9 | 5.3 | 6.3 | 6.4 |
| | 19.3 | 32.0 | 15.7 | 22.3 | -5.3 | 16.1 | 10.2 | | | | | | | |
| OTH ASSETS | 203,776 | 119,115 | 59,851 | 32,055 | 54,245 | | | 1.6 | 1.1 | 0.6 | 0.4 | 0.7 | 0.9 | 3.2 |
| TOTAL ASSETS | 12,938,655 | 11,276,886 | 9,800,753 | 8,782,507 | 7,897,421 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 14.7 | 15.1 | 11.6 | 11.2 | 9.7 | 12.4 | 11.3 | | | | | | | |
| COMMON EQ | 4,827,145 | 4,282,405 | 3,793,118 | 3,319,729 | 3,040,710 | | | 37.3 | 38.0 | 38.7 | 37.8 | 38.5 | 38.1 | 34.5 |
| | 12.7 | 12.9 | 14.3 | 9.2 | 14.1 | 12.6 | 11.5 | | | | | | | |
| PREF STOCK | 1,142,539 | 1,043,842 | 846,114 | 762,607 | 664,475 | | | 8.8 | 9.3 | 8.6 | 8.7 | 8.4 | 8.8 | 7.3 |
| | 9.5 | 23.4 | 11.0 | 14.8 | 10.7 | 13.7 | 10.1 | | | | | | | |
| LT DEBT | 4,639,111 | 3,748,931 | 3,048,329 | 2,798,105 | 2,592,152 | | | 35.9 | 33.2 | 31.1 | 31.9 | 32.8 | 33.0 | 35.9 |
| | 23.7 | 23.0 | 8.9 | 7.9 | 3.8 | 13.2 | 10.5 | | | | | | | |
| TOTAL CAP | 10,608,795 | 9,075,178 | 7,687,561 | 6,880,441 | 6,297,337 | | | 82.0 | 80.5 | 78.4 | 78.3 | 79.7 | 79.8 | 77.7 |
| | 16.9 | 18.1 | 11.7 | 9.3 | 9.3 | 13.0 | 10.9 | | | | | | | |
| ST DEBT | 22,500 | 22,000 | 139,300 | 198,970 | 82,570 | | | 0.2 | 0.2 | 1.4 | 2.3 | 1.0 | 1.0 | 1.7 |
| OTH CURRENT | 705,134 | 710,184 | 679,978 | 568,204 | 527,571 | | | 5.4 | 6.3 | 6.9 | 6.5 | 6.7 | 6.4 | 6.5 |
| TOTAL CURR | 727,634 | 732,184 | 819,278 | 767,174 | 610,141 | | | 5.6 | 6.5 | 8.4 | 8.7 | 7.7 | 7.4 | 8.3 |
| | -0.6 | -10.6 | 6.8 | 25.7 | 5.1 | 4.6 | 9.4 | | | | | | | |
| ACC DEF TAX | 835,410 | 781,890 | 660,804 | 565,785 | 485,150 | | | 6.5 | 6.9 | 6.7 | 6.4 | 6.1 | 6.5 | 8.0 |
| | 6.8 | 18.3 | 16.8 | 16.6 | 19.9 | 15.6 | 15.6 | | | | | | | |
| ACC ITC | 737,220 | 678,102 | 616,099 | 550,882 | 493,046 | | | 5.7 | 6.0 | 6.3 | 6.3 | 6.2 | 6.1 | 5.3 |
| | 8.7 | 10.1 | 11.8 | 11.7 | 11.8 | 10.8 | 9.9 | | | | | | | |
| OTH LIAB | 29,596 | 9,532 | 17,011 | 18,225 | 11,747 | | | 0.2 | 0.1 | 0.2 | 0.2 | 0.1 | 0.2 | 0.7 |
| LIAB AND EQ | 12,938,655 | 11,276,886 | 9,800,753 | 8,782,507 | 7,897,421 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

## Section X - West Texas Utilities Company

1. Allowed Return on Equity 1983-1987
2. Earned Return on Equity 1983-1987
3. Sales Growth 1982-1987
4. Cash Flow Coverage of Common Dividends 1983-1987
5. Percentage of Funds Internally Generated 1983-1987
6. Pre-tax Interest Coverage Excluding AFUDC 1983-1987
7. Ratio of AFUDC to Income to Common 1983-1987
8. CWIP as a Percentage of Net Plant 1983-1987
9. Total Megawatt Hour Sales 1983-1987
10. Megawatt Peak Demand 1983-1987
11. Fuel Mix 1983-1987
12. Operating Data 1983-1987
13. Income Statement Analysis 1983-1987
14. Balance Sheet Analysis 1983-1987

# ALLOWED RETURN ON EQUITY

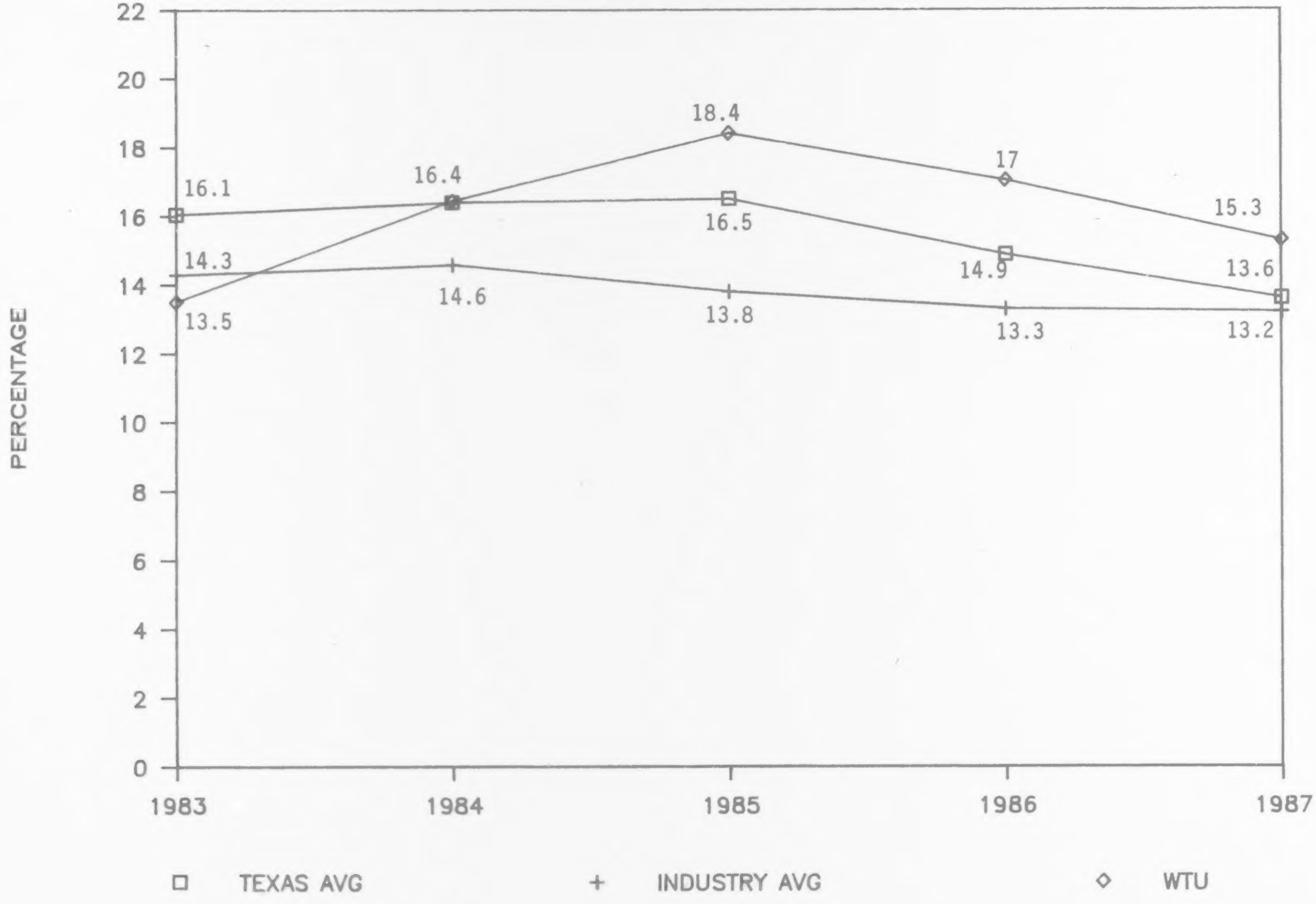
## WEST TEXAS UTILITIES



*Includes updates through August 1988.

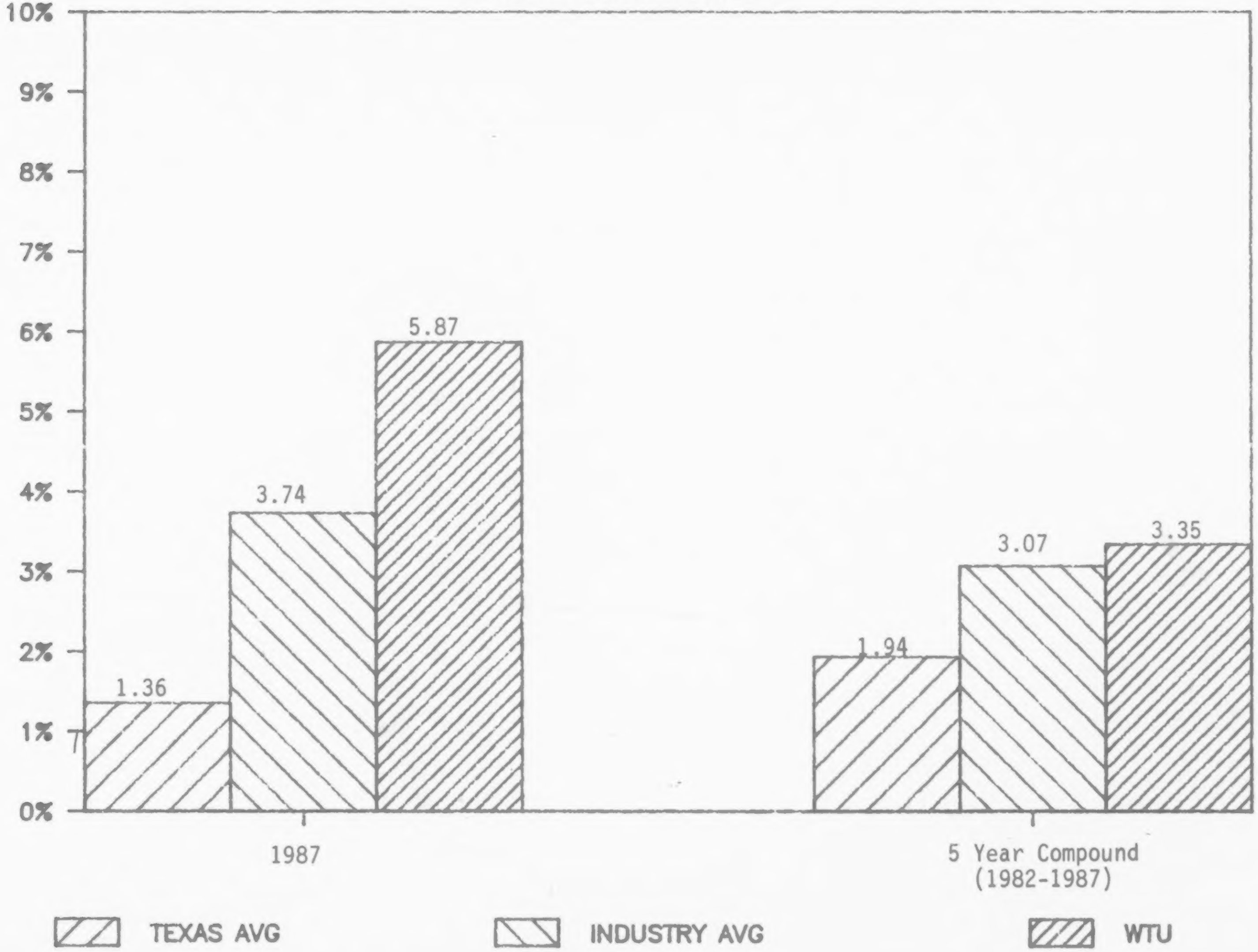
# EARNED RETURN ON EQUITY

## WEST TEXAS UTILITIES



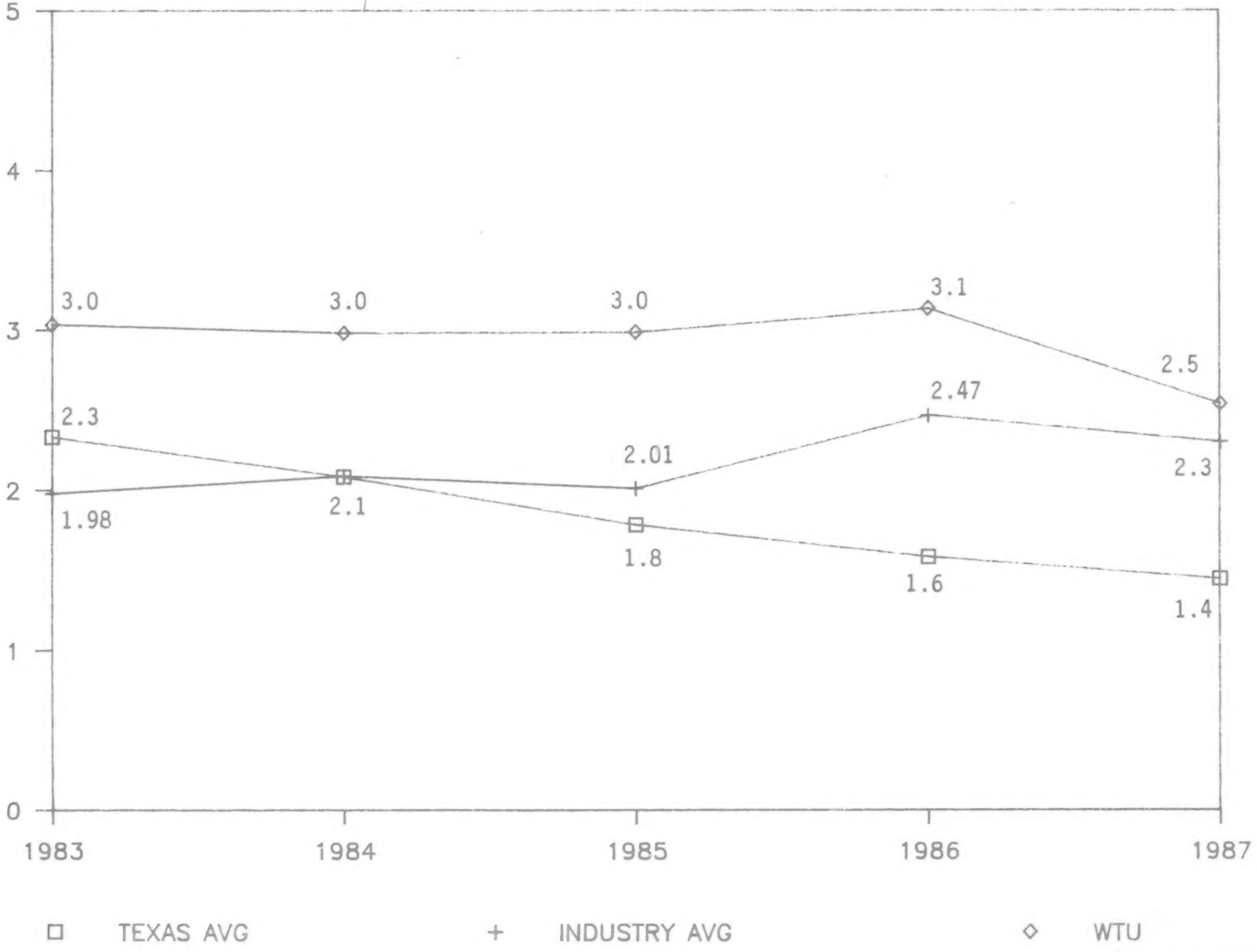
# MWH SALES GROWTH

## WEST TEXAS UTILITIES



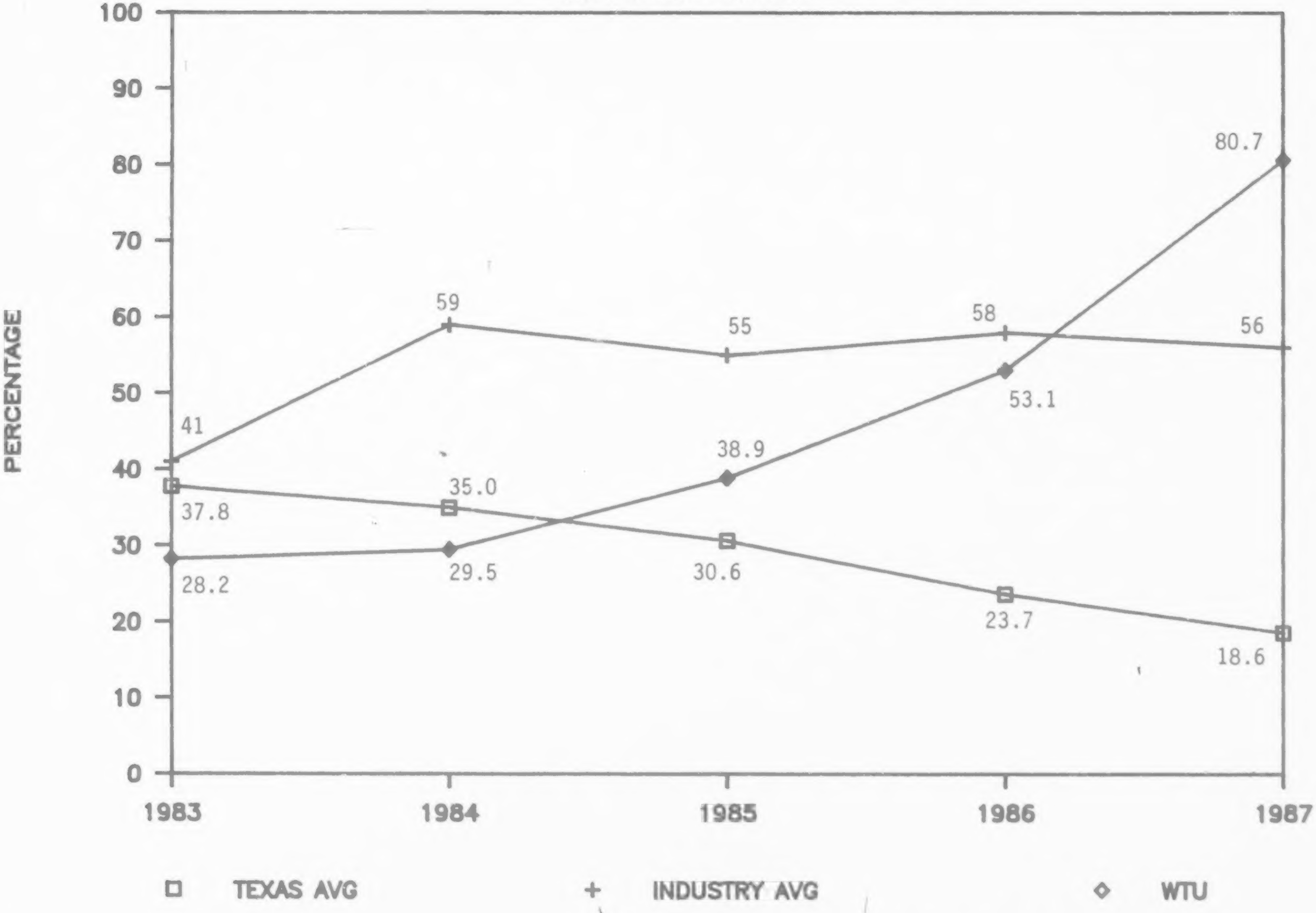
# CASH FLOW COVERAGE OF DIVIDENDS

WEST TEXAS UTILITIES



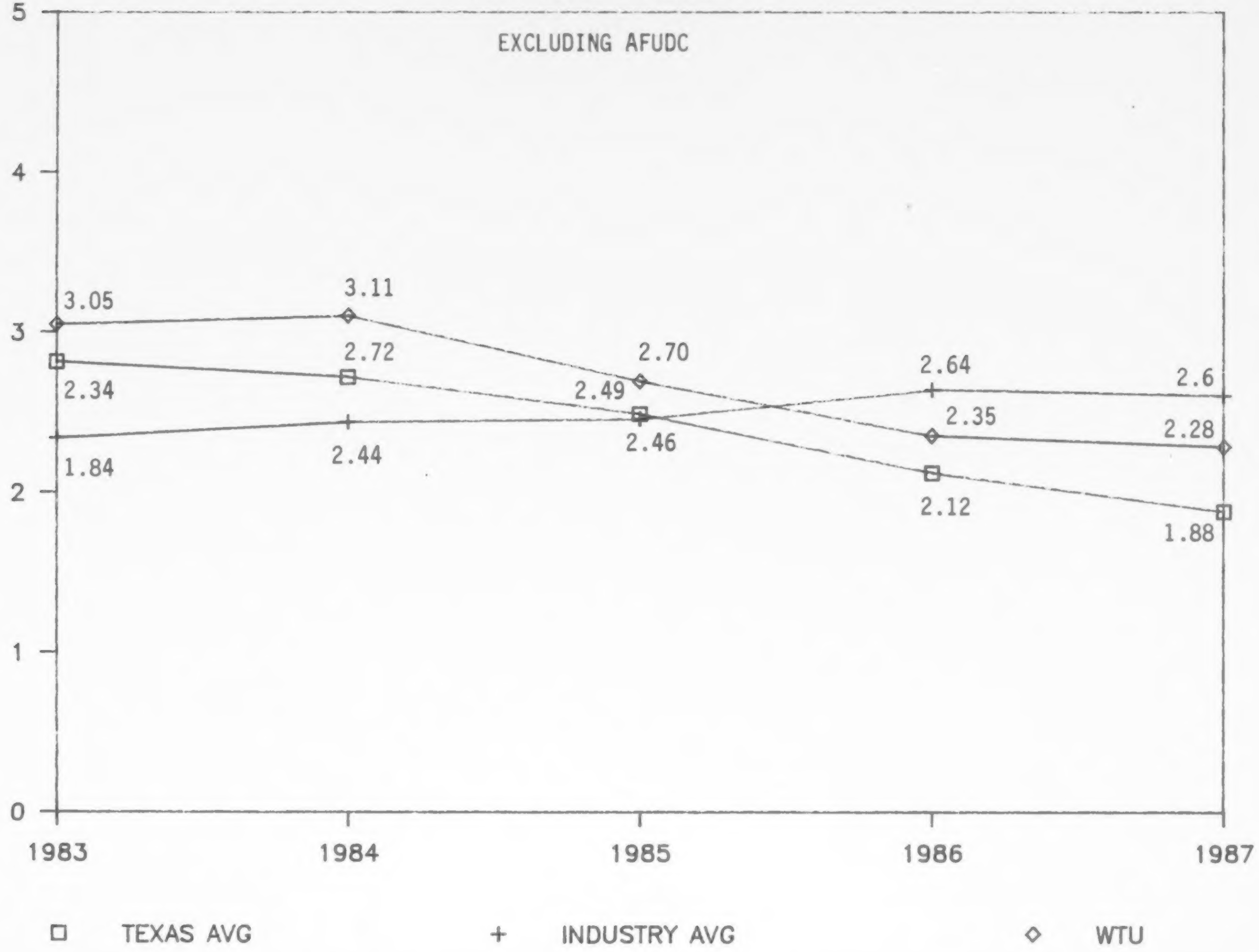
# FUNDS GENERATED INTERNALLY (%)

## WEST TEXAS UTILITIES



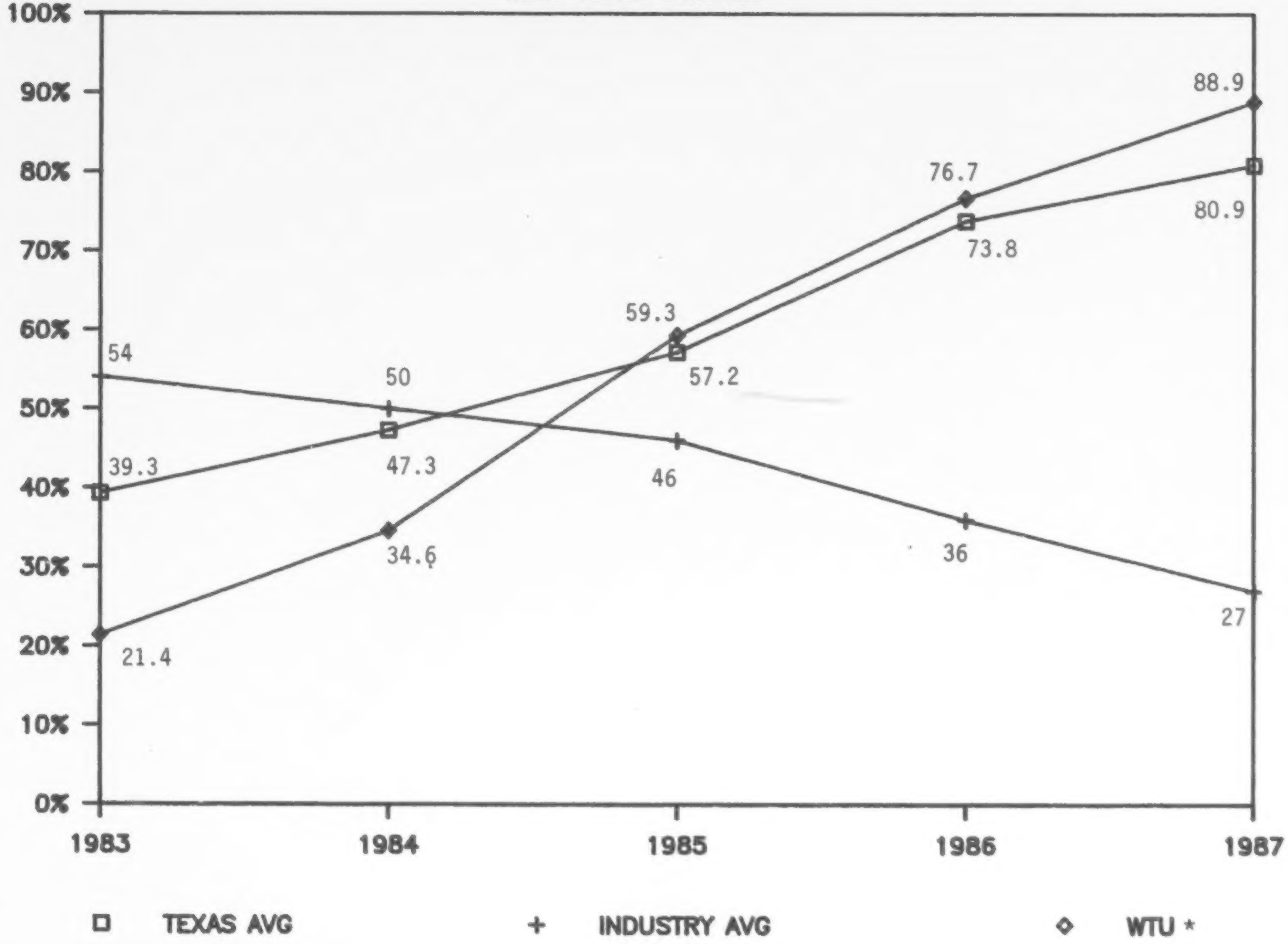
# PRE-TAX INTEREST COVERAGE

## WEST TEXAS UTILITIES



# RATIO OF AFUDC TO INCOME TO COMMON

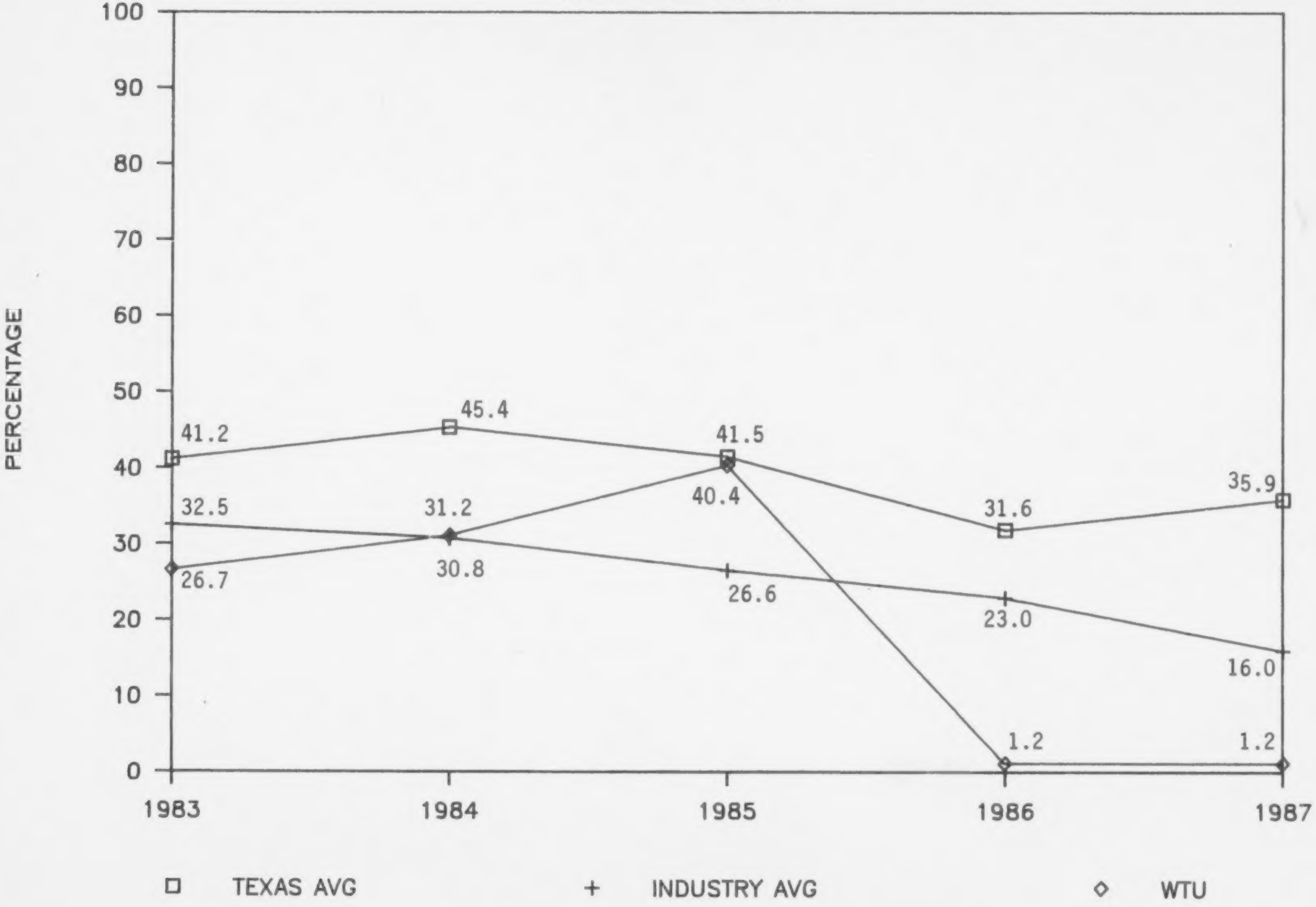
## WEST TEXAS UTILITIES



* Includes Deferrals

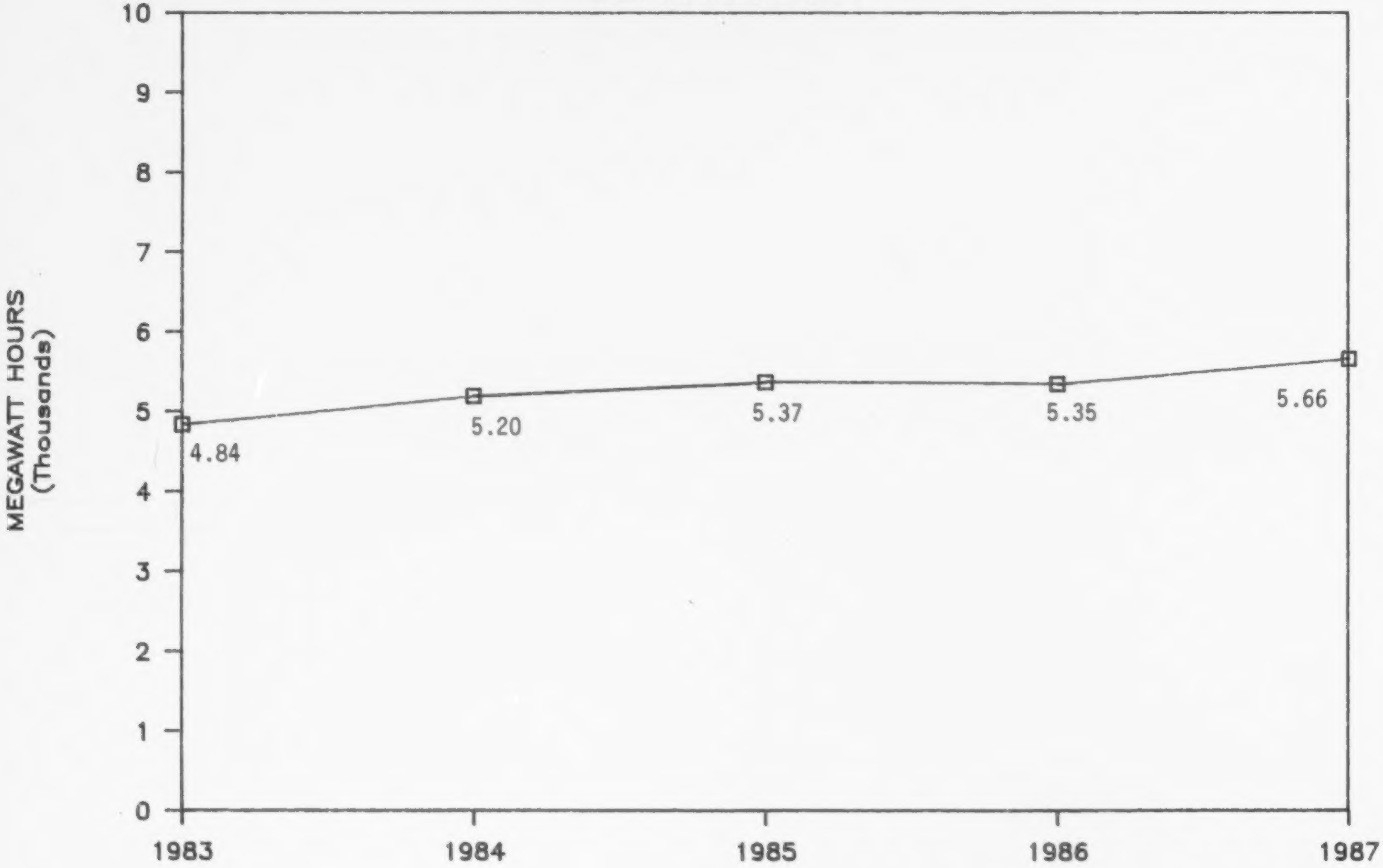
# CWIP AS A % OF NET PLANT

**WEST TEXAS UTILITIES**



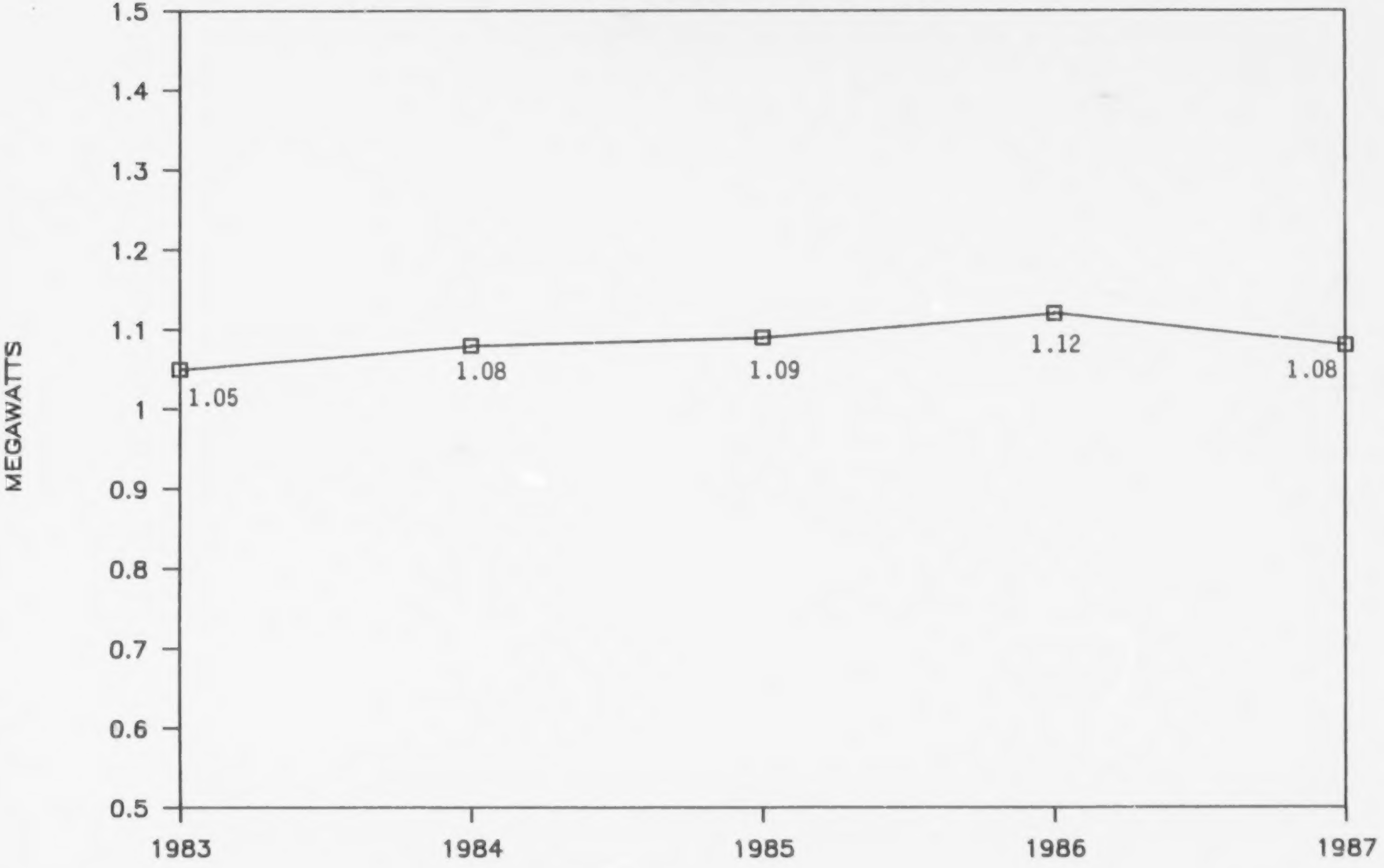
# MWH SALES

## WEST TEXAS UTILITIES



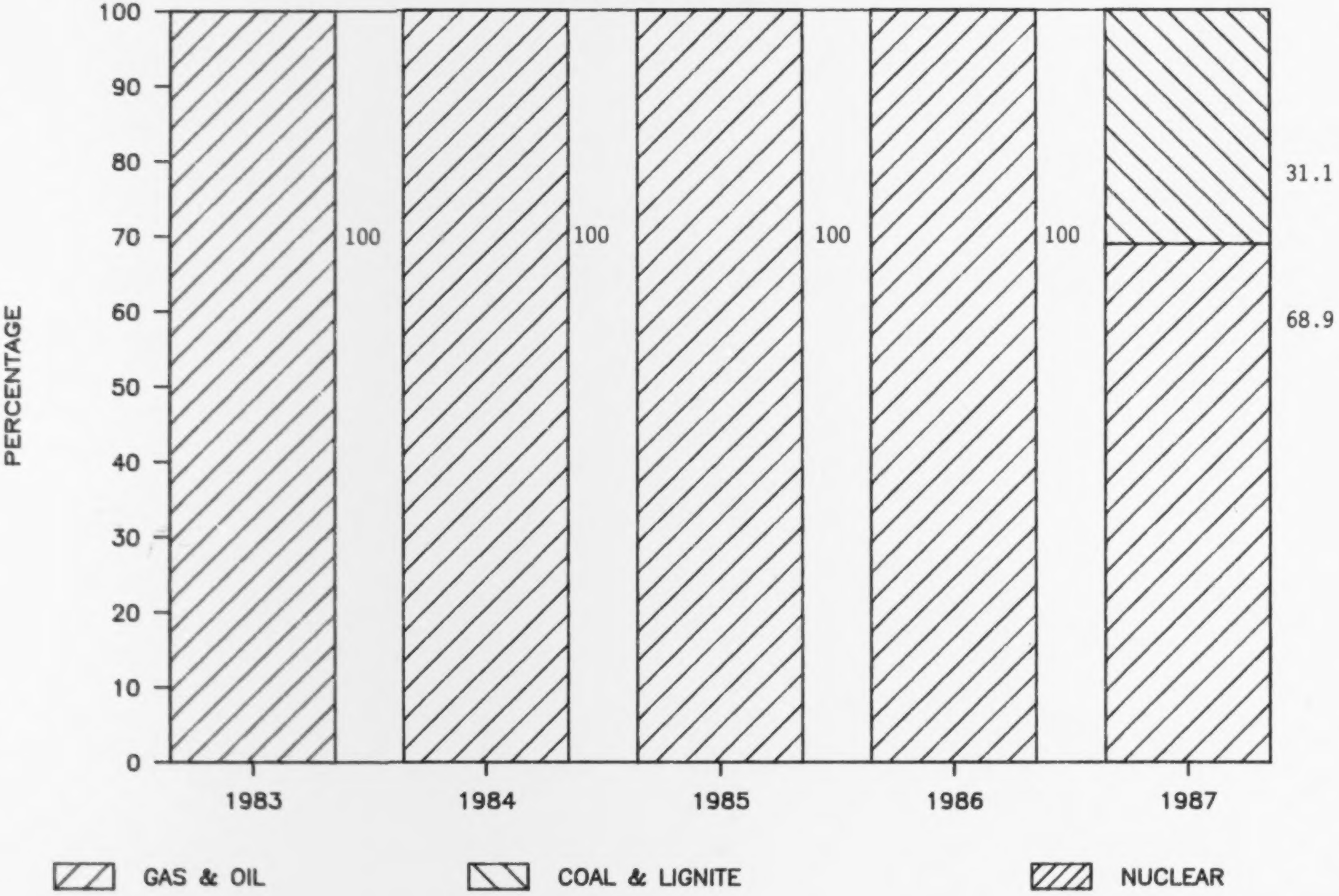
# PEAK DEMAND

## WEST TEXAS UTILITIES



# FUEL MIX

WEST TEXAS UTILITIES



TEXAS PUC - COMPANY ANALYSIS REPORT
WEST TEXAS UTILITIES CO (WTU)
FOR THE FIVE YEARS ENDED 1987

## OPERATING DATA

| | LEVEL | | | | | GROWTH | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
| MWH SALES(000) | 5,662 | 5,348 | 5,372 | 5,197 | 4,837 | 5.9 | -0.4 | 3.4 | 7.4 | 0.7 | 3.3 | 1.9 |
| MW PEAK DEMAND | 1,077 | 1,120 | 1,089 | 1,079 | 1,049 | -3.8 | 2.8 | 0.9 | 2.9 | 5.5 | 1.6 | 3.0 |
| RESERVE MARGIN | 34.4 | 33.8 | 25.9 | 20.9 | 15.4 | | | | | | | |
| RES CENTS PER KWH | 6.4 | 6.9 | 7.7 | 7.4 | 7.3 | -7.5 | -10.0 | 4.0 | 2.0 | 9.6 | -0.6 | -0.1 |
| RES KWH PER CUST PER MO | 777 | 760 | 768 | 777 | 749 | 2.2 | -1.0 | -1.2 | 3.8 | -0.2 | 0.7 | 0.5 |
| CONSTR EXP(000 $) | 32,258 | 64,878 | 96,281 | 105,446 | 89,590 | -50.3 | -32.6 | -8.7 | 17.7 | 53.5 | -11.2 | -1.7 |
| FUEL MIX: | | | | | | | | | | | | |
| GAS/OIL | 68.9 | 100.0 | 100.0 | 100.0 | 100.0 | | | | | | | |
| COAL/LIGNITE | 31.1 | 0.0 | 0.0 | 0.0 | 0.0 | | | | | | | |

## FINANCIAL DATA

| | 1987 | 1986 | 1985 | 1984 | 1983 | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| EARNINGS PER SHARE($) | 3.92 | 3.75 | 3.61 | 3.43 | 3.02 | 4.5 | 3.9 | 5.2 | 13.6 | 7.1 | 6.8 | 4.6 |
| DIVIDENDS PER SHARE($) | 2.28 | 2.02 | 2.02 | 1.90 | 1.78 | 12.9 | 0.0 | 6.3 | 6.7 | 6.0 | 6.3 | 3.6 |
| STOCK PRICE($) | 29.50 | 34.25 | 27.50 | 22.75 | 19.50 | -13.9 | 24.5 | 20.9 | 16.7 | 10.6 | 10.8 | 6.7 |
| BOOK VALUE PER SHARE($) | 26.52 | 24.89 | 23.29 | 21.68 | 20.21 | 6.5 | 6.9 | 7.4 | 7.3 | 6.3 | 6.9 | 6.0 |

| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
|---|---|---|---|---|---|---|---|
| ROE | 15.3 | 17.0 | 18.4 | 16.4 | 13.5 | 16.1 | 15.5 |
| AFC TO EARN | 88.9 | 76.7 | 59.3 | 34.6 | 21.4 | 56.2 | 59.7 |
| YIELD | 7.2 | 6.5 | 8.0 | 9.0 | 9.6 | 8.1 | 8.8 |
| PAYOUT RATIO | 58.2 | 53.9 | 56.0 | 55.4 | 58.9 | 56.5 | 60.5 |
| MARKET TO BOOK | 111.2 | 137.6 | 118.1 | 104.9 | 96.5 | 113.7 | 107.1 |
| PE RATIO(X) | 8.1 | 8.2 | 7.0 | 6.2 | 6.1 | 7.1 | 7.0 |
| INTERNAL GEN | 80.7 | 53.1 | 38.9 | 29.5 | 28.2 | 46.1 | 29.1 |
| INT COV INCL AFC(X) | 3.3 | 3.6 | 3.6 | 3.6 | 3.3 | 3.5 | 3.2 |
| INT COV EXCL AFC(X) | 2.0 | 2.4 | 2.7 | 3.1 | 3.1 | 2.6 | 2.4 |
| CASH FLOW COV OF DIV | 2.2 | 3.1 | 3.0 | 3.0 | 3.0 | 2.9 | 1.8 |
| LONG TERM DEBT RATIO | 42.6 | 43.5 | 46.7 | 43.3 | 46.1 | 44.4 | 46.1 |
| COMMON EQUITY RATIO | 49.1 | 45.6 | 46.5 | 48.5 | 44.5 | 46.9 | 44.4 |
| PREFERRED STOCK RATIO | 8.3 | 10.9 | 6.8 | 8.2 | 9.4 | 8.7 | 9.5 |
| EFFECTIVE TAX RATE | 29.9 | 31.9 | 38.0 | 38.9 | 42.2 | 36.2 | 30.2 |
| BOND RATING | Aa2/AA- | Aa2/AA- | Aa2/AA- | Aa2/AA | Aa2/AA | | |
| PCT TPUC JURIS SALES | 79.6 | | | | | | |

TEXAS PUC - COMPANY ANALYSIS REPORT
WEST TEXAS UTILITIES CO (WTU)
FOR THE FIVE YEARS ENDED 1987

## INCOME STATEMENT ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF SALES | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| SALES | 256,756 | 273,583 | 317,829 | 312,078 | 290,441 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | -6.2 | -13.9 | 1.8 | 7.4 | 9.7 | -0.6 | 1.5 | | | | | | | |
| FUEL & PP | 105,129 | 130,481 | 171,401 | 180,861 | 181,320 | | | 40.9 | 47.7 | 53.9 | 58.0 | 62.4 | 52.6 | 49.1 |
| | -19.4 | -23.9 | -5.2 | -0.3 | 6.2 | -9.3 | -2.8 | | | | | | | |
| O & M | 61,808 | 56,561 | 54,197 | 47,283 | 42,014 | | | 24.1 | 20.7 | 17.1 | 15.2 | 14.5 | 18.3 | 17.3 |
| | 9.3 | 4.4 | 14.6 | 12.5 | 14.4 | 11.0 | 8.7 | | | | | | | |
| DEPR | 24,305 | 16,679 | 15,399 | 13,120 | 12,295 | | | 9.5 | 6.1 | 4.8 | 4.2 | 4.2 | 5.8 | 5.9 |
| | 45.7 | 8.3 | 17.4 | 6.7 | 10.5 | 16.9 | 10.0 | | | | | | | |
| CURR FIT | -3,098 | -5,622 | -2,919 | 3,003 | 2,595 | | | -1.2 | -2.1 | -0.9 | 1.0 | 0.9 | -0.5 | 2.2 |
| DEF TAX | 19,425 | 21,720 | 19,332 | 5,351 | 5,399 | | | 7.6 | 7.9 | 6.1 | 1.7 | 1.9 | 5.0 | 2.8 |
| ITC | 6 | 3,277 | 6,670 | 10,484 | 5,989 | | | 0.0 | 1.2 | 2.1 | 3.4 | 2.1 | 1.7 | 1.3 |
| FIT | 16,333 | 19,375 | 23,083 | 18,838 | 13,983 | | | 6.4 | 7.1 | 7.3 | 6.0 | 4.8 | 6.3 | 6.3 |
| | -15.7 | -16.1 | 22.5 | 34.7 | 28.3 | 8.4 | -0.6 | | | | | | | |
| OTH TAX | 17,178 | 13,475 | 13,178 | 12,913 | 10,861 | | | 6.7 | 4.9 | 4.1 | 4.1 | 3.7 | 4.7 | 5.0 |
| | 27.5 | 2.3 | 2.1 | 18.9 | 4.1 | 10.5 | 8.1 | | | | | | | |
| OPER INC | 32,003 | 37,012 | 40,571 | 39,063 | 29,968 | | | 12.5 | 13.5 | 12.8 | 12.5 | 10.3 | 12.3 | 16.3 |
| | -13.5 | -8.8 | 3.9 | 30.3 | 21.0 | 5.3 | 2.9 | | | | | | | |
| AFC | 32,809 | 29,137 | 21,610 | 9,440 | 3,834 | | | 12.8 | 10.7 | 6.8 | 3.0 | 1.3 | 6.9 | 8.1 |
| | 12.6 | 34.8 | 128.9 | 146.2 | 42.3 | 64.9 | 24.4 | | | | | | | |
| OTH INC | 780 | 126 | 1,125 | 360 | 213 | | | 0.3 | 0.0 | 0.4 | 0.1 | 0.1 | 0.2 | 0.1 |
| INTEREST | 24,820 | 24,024 | 24,033 | 18,764 | 14,475 | | | 9.7 | 8.8 | 7.6 | 6.0 | 5.0 | 7.4 | 9.7 |
| | 3.3 | 0.0 | 28.1 | 29.6 | 12.4 | 14.0 | 9.8 | | | | | | | |
| NET INCOME | 40,772 | 42,251 | 39,273 | 30,099 | 19,540 | | | 15.9 | 15.4 | 12.4 | 9.6 | 6.7 | 12.0 | 14.9 |
| | -3.5 | 7.6 | 30.5 | 54.0 | 31.5 | 22.4 | 11.4 | | | | | | | |
| PREF DIV | 3,869 | 4,259 | 2,804 | 2,804 | 1,654 | | | 1.5 | 1.6 | 0.9 | 0.9 | 0.6 | 1.1 | 1.7 |
| | -9.2 | 51.9 | 0.0 | 69.5 | 526.5 | 71.1 | 10.4 | | | | | | | |
| INC TO COM | 36,903 | 37,992 | 36,469 | 27,295 | 17,886 | | | 14.4 | 13.9 | 11.5 | 8.7 | 6.2 | 10.9 | 13.2 |
| | -2.9 | 4.2 | 33.6 | 52.6 | 22.5 | 20.4 | 11.6 | | | | | | | |
| COMMON DIV | 21,789 | 16,110 | 18,827 | 15,700 | 12,428 | | | 8.5 | 5.9 | 5.9 | 5.0 | 4.3 | 5.9 | 8.4 |
| | 35.3 | -14.4 | 19.9 | 26.3 | 28.6 | 17.7 | 9.0 | | | | | | | |
| INC TO RE | 15,114 | 21,882 | 17,642 | 11,595 | 5,458 | | | 5.9 | 8.0 | 5.6 | 3.7 | 1.9 | 5.0 | 4.9 |

TEXAS PUC - COMPANY ANALYSIS REPORT
WEST TEXAS UTILITIES CO (WTU)
FOR THE FIVE YEARS ENDED 1987

## BALANCE SHEET ANALYSIS

| | LEVEL(000 $) & GROWTH | | | | | | | PERCENT OF TOTAL ASSETS | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR COMP | TEXAS | 1987 | 1986 | 1985 | 1984 | 1983 | 5 YR AVG | TEXAS |
| PLANT | 854,896 | 826,297 | 513,205 | 484,845 | 426,494 | | | 116.3 | 117.9 | 83.1 | 90.4 | 96.1 | 100.8 | 73.9 |
| CWIP & OTH | 7,753 | 7,891 | 233,779 | 148,759 | 103,072 | | | 1.1 | 1.1 | 37.9 | 27.7 | 23.2 | 18.2 | 35.5 |
| TOTAL PLANT | 862,649 | 834,188 | 746,984 | 633,604 | 529,566 | | | 117.3 | 119.1 | 121.0 | 118.1 | 119.4 | 119.0 | 109.4 |
| ACCUM DEPR | 203,677 | 181,873 | 168,980 | 156,099 | 142,986 | | | 27.7 | 26.0 | 27.4 | 29.1 | 32.2 | 28.5 | 19.0 |
| NET PLANT | 658,972 | 652,315 | 578,004 | 477,505 | 386,580 | | | 89.6 | 93.1 | 93.6 | 89.0 | 87.1 | 90.5 | 90.4 |
| | 1.0 | 12.9 | 21.0 | 23.5 | 25.8 | 16.5 | 10.4 | | | | | | | |
| CASH & INV | 1,644 | 1,340 | 4,182 | 1,943 | 13,926 | | | 0.2 | 0.2 | 0.7 | 0.4 | 3.1 | 0.9 | 1.8 |
| ACCTS REC | 9,831 | 11,251 | 7,902 | 25,296 | 28,667 | | | 1.3 | 1.6 | 1.3 | 4.7 | 6.5 | 3.1 | 2.5 |
| INVENTORY | 26,770 | 29,539 | 19,839 | 21,842 | 11,569 | | | 3.6 | 4.2 | 3.2 | 4.1 | 2.6 | 3.6 | 1.6 |
| OTH CURRENT | 1,148 | 3,669 | 3,927 | 7,218 | 969 | | | 0.2 | 0.5 | 0.6 | 1.3 | 0.2 | 0.6 | 0.5 |
| TOTAL CURR | 39,393 | 45,799 | 35,850 | 56,299 | 55,131 | | | 5.4 | 6.5 | 5.8 | 10.5 | 12.4 | 8.1 | 6.4 |
| | -14.0 | 27.8 | -36.3 | 2.1 | 25.6 | -2.1 | 10.2 | | | | | | | |
| OTH ASSETS | 36,962 | 2,455 | 3,359 | 2,544 | 1,919 | | | 5.0 | 0.4 | 0.5 | 0.5 | 0.4 | 1.4 | 3.2 |
| TOTAL ASSETS | 735,327 | 700,569 | 617,213 | 536,348 | 443,630 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| | 5.0 | 13.5 | 15.1 | 20.9 | 25.9 | 15.9 | 11.3 | | | | | | | |
| COMMON EQ | 248,912 | 233,798 | 211,916 | 184,274 | 147,679 | | | 33.9 | 33.4 | 34.3 | 34.4 | 33.3 | 33.8 | 34.5 |
| | 6.5 | 10.3 | 15.0 | 24.8 | 26.0 | 16.3 | 11.5 | | | | | | | |
| PREF STOCK | 41,994 | 55,766 | 31,042 | 31,042 | 31,042 | | | 5.7 | 8.0 | 5.0 | 5.8 | 7.0 | 6.3 | 7.3 |
| | -24.7 | 79.6 | 0.0 | 0.0 | 393.4 | 46.2 | 10.1 | | | | | | | |
| LT DEBT | 215,692 | 223,148 | 212,465 | 164,380 | 153,108 | | | 29.3 | 31.9 | 34.4 | 30.6 | 34.5 | 32.2 | 35.9 |
| | -3.3 | 5.0 | 29.3 | 7.4 | 19.2 | 10.9 | 10.5 | | | | | | | |
| TOTAL CAP | 506,598 | 512,712 | 455,423 | 379,696 | 331,829 | | | 68.9 | 73.2 | 73.8 | 70.8 | 74.8 | 72.3 | 77.7 |
| | -1.2 | 12.6 | 19.9 | 14.4 | 31.7 | 15.0 | 10.9 | | | | | | | |
| ST DEBT | 27,880 | 7,037 | 0 | 12,895 | 0 | | | 3.8 | 1.0 | 0.0 | 2.4 | 0.0 | 1.4 | 1.7 |
| OTH CURRENT | 31,116 | 41,148 | 46,502 | 50,609 | 40,696 | | | 4.2 | 5.9 | 7.5 | 9.4 | 9.2 | 7.2 | 6.5 |
| TOTAL CURR | 58,996 | 48,185 | 46,502 | 63,504 | 40,696 | | | 8.0 | 6.9 | 7.5 | 11.8 | 9.2 | 8.7 | 8.3 |
| | 22.4 | 3.6 | -26.8 | 56.0 | -1.6 | 7.4 | 9.4 | | | | | | | |
| ACC DEF TAX | 115,268 | 97,894 | 76,736 | 61,267 | 49,708 | | | 15.7 | 14.0 | 12.4 | 11.4 | 11.2 | 12.9 | 8.0 |
| | 17.7 | 27.6 | 25.2 | 23.3 | 13.9 | 21.4 | 15.6 | | | | | | | |
| ACC ITC | 41,784 | 41,778 | 38,552 | 31,881 | 21,397 | | | 5.7 | 6.0 | 6.2 | 5.9 | 4.8 | 5.7 | 5.3 |
| | 0.0 | 8.4 | 20.9 | 49.0 | 38.9 | 22.1 | 9.9 | | | | | | | |
| OTH LIAB | 12,681 | 0 | 0 | 0 | 0 | | | 1.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 | 0.7 |
| LIAB AND EQ | 735,327 | 700,569 | 617,213 | 536,348 | 443,630 | | | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

# Notes to the Company Profile Reports

1. Information Sources

   A. Industry Averages - Statistics for the following graphs are from Merrill Lynch - Utility Industry - A Statistical Review - May 1987 and May 1988.

      Sales Growth
      Earned Per Share Growth
      Cash Flow Coverage of Common Dividends
      Percentage of Funds Internally Generated
      Pre-tax Interest Coverage Ratio
      Ratio of AFUDC to Income to Common
      CWIP as a Percentage of Net Plant
      Allowed Returns on Equity
      Earned Returns on Equity

   B. Individual Company Data were taken from the individual company 1987 annual reports, 10K reports, or from direct requests to the companies.

2. Total Texas Industry Averages include:

   Central Power and Light Company
   El Paso Electric Company
   Gulf States Utilities
   Houston Lighting and Power Company
   Southwestern Electric Power Company
   Southwestern Public Service Company
   Texas-New Mexico Power Company
   TU Electric
   West Texas Utilities Company

   * TNP was excluded from the Total Texas data for Peak Demand and MWH sales.

3. Any deferrals resulting from phase-in plans or from deffered accounting orders have been included in AFC on this report.

4. Ratio Calculations - The financial ratios reported in the Company Profiles may vary slightly from those ratios reported by the individual companies due to differences in calculation methodologies. The ratios reported for each company in the operating data section were calculated as explained below:

A. ROE = income available to common divided by the average of the year-end common equity for the current and previous year.

B. AFC to Earn = total AFC divided by earnings to common. For GSU, deferred River Bend expenses are included with AFC.

C. Yield = dividends per share divided by the average stock price for the current and previous year.

D. Payout Ratio = DPS/EPS.

E. Market to Book = Stock Price/Book Value per Share.

F. PE Ratio = average stock price for the current and previous year divided by the current year's earnings.

G. Internal Generation = (New Income + Depreciation + Deferred Taxes + ITCs - AFC - Preferred Dividends - Common Dividends) divided by Construction Expenditures.

H. Interest Coverage Including AFC = (Net Income + Interest + FIT) divided by Interest.

I. Interest Coverage Excluding AFC = (Net Income + Interest + FIT -AFC) divided by Interest.

J. Long-Term Debt Ratio = LT Debt/Total Capital.

K. Common Equity Ratio = Common Equity/Total Capital.

L. Preferred Stock Ratio = Preferred Stock/Total Capital.

M. Effective Tax Rate = FIT/(Net Income + FIT).

N. Cash Flow Coverage of Dividends = (Income Available to Common + Depreciation + Deferred Taxes + ITC - AFC)/Common Stock Dividends.